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**From:** Tony Diab [tony@coastprocessing.com]  
**on behalf of** Tony Diab <tony@coastprocessing.com> [tony@coastprocessing.com]  
**Sent:** 9/13/2021 6:15:05 AM  
**To:** Kevin Yu [kevin.yu93@gmail.com]  
**CC:** Mario Azevedo [mario@azevedo.com]; Adam Blum [AdamBlum@aol.com]  
**Subject:** Re: Leveraged Buyout and JV Entity  
**Attachments:** BAT P&L May 21-12 Month.pdf; BAT Trial Bal Jan-May 21.pdf; BAT P&L May 21.pdf; BAT Tax Return Final 2020.pdf

Hi Kevin -

We turned the accounting function over to a new accounting firm in early June, and they have redone our books completely. We should have financials for June, July and August in the next week or two, they were waiting for 2020 tax returns to be filed to finalize a few things. I will forward once ready. In the meantime the books from May are attached (they were prepared internally and not by an accounting firm, fyi).

Asante's agreement is confidential and would require written approval to disclose. I will obtain the same this week and forward the agreement. Are you able to jump on a call tomorrow to discuss further? I want to make sure all requisite disclosures have been made.

Thanks,  
Tony

On Wed, Sep 8, 2021 at 5:21 PM Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:

Hey all,

Can y'all please provide us with the buy-out agreement with Asante and the latest set of financials y'all have (unaudited is fine).

Thanks,

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

On Tue, Aug 24, 2021 at 1:35 AM Tony Diab <[tony@coastprocessing.com](mailto:tony@coastprocessing.com)> wrote:

Hi Kevin -

My apologies for the delay, I had to confirm with all interested individuals. This structure works for us. I would ask if you could prepare the term sheet. I will send the draft promissory note in the morning.

Thanks,  
Tony

On Thu, Aug 19, 2021 at 7:05 PM Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:

Hey all,

Per Mario's request, here's a summary of the terms as we understand it from our side. This is also how we have the attached model working. Note that this is all high-level and I've highlighted only a few debt terms

we'd expect to include as part of standard market terms. This is also contingent and subject to change upon our receipt and understanding of the buyout docs, but high level this is our understanding.

Loan:

- ~\$5 million loan to LPG - 16% interest, current pay interest, principal paydown at LPG's discretion
- Expected ~150k - 250k in monthly payments (including interest) per month from LPG's cash flows

JV Entity:

- Nominal start-up cost invested in entity
- OHP will fund preferred equity (i.e. first money out) to purchase packages
- Common equity afterwards split 50% OHP and 50% LPG and co.
- Exception for first 20 months (or until loan is paid down) where monthly distributions of all excess cash (leaving a nominal 25-50k in the entity) will be made, at 50-50, to help LPG pay down the above loan
- After loan is paid down, cash is recycled within the JV until monthly cash receivables are greater than next months expected purchases, at which point distributions of cash in excess of expected purchases will be made first to pay down preferred equity, then distributed 50/50 to partners.

Other:

- Standard debt terms
- ROFR on all package buying, at cost - carveout for certain existing agreement (e.g. Brian's monthly purchase)
- Covenants surrounding package purchase price (<7.25%), default rate (<30%), etc.
- All asset lien on LPG (or something to this effect if this is explicitly disallowed)

Whenever you get a solid term sheet draft, let us know. Thanks.

Kevin Yu

[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)

(512) 888-8897

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[tony@coastprocessing.com](mailto:tony@coastprocessing.com)

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B.A.T.

06/10/21

## Profit & Loss by Month

Accrual Basis

June 2020 through May 2021

	Jun 20	Jul 20
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
Credit Card Credit Return	0.00	0.00
Discount	0.00	0.00
Other Income	0.00	5,000.00
Sales	2,214,760.42	3,090,679.38
Sweep Interest	8.75	8.00
<b>Total Income</b>	<b>2,214,769.17</b>	<b>3,095,687.38</b>
<b>Gross Profit</b>	<b>2,214,769.17</b>	<b>3,095,687.38</b>
<b>Expense</b>		
Affiliates Reimbursement	1,930,200.45	1,789,185.01
Answering Service Exam	0.00	0.00
Application Fee	0.00	0.00
Auditing Expenses	0.00	0.00
Automobile Expense		
Gas	787.48	343.91
Mileage	109.37	174.69
Automobile Expense - Other	5,624.40	631.11
<b>Total Automobile Expense</b>	<b>6,521.25</b>	<b>1,149.71</b>
Background Checks	560.00	980.00
Bank Open Items	0.00	0.00
Bank Service Charges	75.00	85.95
City License	0.00	23.00
commission	0.00	0.00
Compliance Fee	0.00	0.00
Computer & Internet Security	11,933.47	34,422.00
Computer& Internet Supply		
Website	22.54	1,028.87
Computer& Internet Supply - Other	4,920.90	4,999.94
<b>Total Computer&amp; Internet Supply</b>	<b>4,943.44</b>	<b>6,028.81</b>
Consultation	0.00	0.00
Covid 19 Test	0.00	0.00
Credit Reporting	10,332.00	12,702.00
Donation	0.00	0.00
Education	199.00	0.00
Electric	0.00	4,606.68
Employee Benefits	2,767.90	45.00
Employee Search Expense	759.75	239.23
Employment Service	561.86	0.00
Food Expenses	0.00	78.00
Fraud Expenses	306.83	83.81
Gift	0.00	0.00
Insurance Expense		
Life Insurance	0.00	0.00
Insurance Expense - Other	0.00	0.00
<b>Total Insurance Expense</b>	<b>0.00</b>	<b>0.00</b>
Interest Expense	0.00	0.00
lease improvement	0.00	0.00
Mail Fee	0.00	0.00
Marketing Expense	8,116.00	31,060.00
Meals and Entertainment		
Meetings	11,652.74	9,625.41
Meals and Entertainment - Other	997.80	142.70
<b>Total Meals and Entertainment</b>	<b>12,650.54</b>	<b>9,768.11</b>

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## Profit & Loss by Month

Accrual Basis

June 2020 through May 2021

	Jun 20	Jul 20
Medical Insurance	11,351.32	11,809.61
Membership Fees	0.00	0.00
Misc. Expense	0.00	0.00
Office Equipment	22,391.73	3,750.20
Office Remodel	0.00	0.00
Office Supplies	10,601.44	9,455.16
Online Reputation Management	0.00	0.00
Outside Consulting	160,000.00	0.00
Outside Service		
Office Cleaning	1,785.00	1,950.00
Outside Service - Other	15,215.39	17,489.23
Total Outside Service	17,000.39	19,439.23
Parking	0.00	0.00
Payroll Expenses		
Payroll Fees	388.44	124.23
Payroll Taxes	54,052.69	33,576.71
Payroll Expenses - Other	165,201.08	111,872.86
Total Payroll Expenses	219,642.21	145,573.80
Personal	0.00	0.00
Phone	4,625.79	10,956.77
Postage and Delivery	18,074.03	22,887.82
Printing Expense	2,788.03	2,725.14
Professional Fees	11,949.00	10,125.00
professional Software Service	0.00	0.00
Reconciliation Discrepancies	0.00	0.00
Referral	0.00	0.00
Rent Expense	21,087.50	17,820.50
Repairs and Maintenance	200.00	8,760.41
Service Charge Fees	0.00	0.00
Shipping and Delivery	771.50	1,117.81
Shredding	280.00	0.00
Soft Scape	0.00	0.00
Software	25,356.59	25,917.50
State Filing Expense	0.00	0.00
Tax Consulting	0.00	3,715.00
Taxes	0.00	2,249.00
Trash/Dump	0.00	69.16
Travel Expense		
Travel - Hotel	0.00	0.00
Travel Expense - Other	9,987.85	12,632.41
Total Travel Expense	9,987.85	12,632.41
Utilities		
Fax	337.30	388.80
Utilities - Other	561.86	0.00
Total Utilities	899.16	388.80
Total Expense	2,526,934.03	2,199,850.63
Net Ordinary Income	-312,164.86	895,836.75
Net Income	-312,164.86	895,836.75

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Accrual Basis

## Profit & Loss by Month

June 2020 through May 2021

	Aug 20	Sep 20
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
Credit Card Credit Return	2,421.84	962.93
Discount	0.00	0.00
Other Income	5,000.00	5,000.00
Sales	3,483,825.71	3,024,517.50
Sweep Interest	0.00	0.00
<b>Total Income</b>	3,491,247.55	3,030,480.43
<b>Gross Profit</b>	3,491,247.55	3,030,480.43
<b>Expense</b>		
Affiliates Reimbursement	2,485,854.48	2,093,265.33
Answering Service Exam	0.00	0.00
Application Fee	0.00	0.00
Auditing Expenses	0.00	0.00
Automobile Expense		
Gas	383.40	478.17
Mileage	125.82	164.80
Automobile Expense - Other	1,315.75	1,315.75
<b>Total Automobile Expense</b>	1,824.97	1,958.72
Background Checks	1,120.00	2,505.00
Bank Open Items	0.00	0.00
Bank Service Charges	90.50	541.11
City License	4,300.00	0.00
commission	0.00	0.00
Compliance Fee	0.00	0.00
Computer & Internet Security	28,153.99	10,688.74
Computer& Internet Supply		
Website	696.18	1,049.78
Computer& Internet Supply - Other	40,866.82	3,524.00
<b>Total Computer&amp; Internet Supply</b>	41,563.00	4,573.78
Consultation	0.00	35,590.00
Covid 19 Test	0.00	0.00
Credit Reporting	561.86	555.82
Donation	20,000.00	0.00
Education	0.00	0.00
Electric	3,749.76	3,314.66
Employee Benefits	0.00	0.00
Employee Search Expense	502.33	982.02
Employment Service	0.00	0.00
Food Expenses	1,125.73	1,552.94
Fraud Expenses	0.00	0.00
Gift	0.00	0.00
Insurance Expense		
Life Insurance	0.00	0.00
Insurance Expense - Other	0.00	0.00
<b>Total Insurance Expense</b>	0.00	0.00
Interest Expense	0.00	0.00
lease improvement	0.00	0.00
Mail Fee	0.00	281.42
Marketing Expense	14,351.00	3,325.00
Meals and Entertainment		
Meetings	8,871.35	8,830.70
Meals and Entertainment - Other	0.00	0.00
<b>Total Meals and Entertainment</b>	8,871.35	8,830.70

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Accrual Basis

**B.A.T.**

## Profit & Loss by Month

June 2020 through May 2021

	Aug 20	Sep 20
Medical Insurance	11,267.04	11,695.86
Membership Fees	69.98	69.98
Misc. Expense	0.00	0.00
Office Equipment	1,131.21	1,529.57
Office Remodel	0.00	0.00
Office Supplies	15,922.76	17,968.38
Online Reputation Management	0.00	0.00
Outside Consulting	0.00	0.00
Outside Service		
Office Cleaning	3,515.00	2,776.00
Outside Service - Other	86,671.12	70,547.73
<b>Total Outside Service</b>	<b>90,186.12</b>	<b>73,323.73</b>
Parking	0.00	0.00
Payroll Expenses		
Payroll Fees	-146.61	310.00
Payroll Taxes	35,079.83	38,220.84
Payroll Expenses - Other	112,268.60	119,448.10
<b>Total Payroll Expenses</b>	<b>147,201.82</b>	<b>157,978.94</b>
Personal	0.00	0.00
Phone	9,961.67	8,863.84
Postage and Delivery	16,216.50	17,667.71
Printing Expense	506.68	0.00
Professional Fees	10,038.00	12,718.00
professional Software Service	0.00	0.00
Reconciliation Discrepancies	0.00	0.00
Referral	0.00	0.00
Rent Expense	14,192.50	14,192.50
Repairs and Maintenance	200.00	1,370.16
Service Charge Fees	0.00	161.00
Shipping and Delivery	402.89	101.42
Shredding	390.00	320.00
Soft Scape	0.00	0.00
Software	29,090.93	29,632.12
State Filing Expense	0.00	0.00
Tax Consulting	0.00	0.00
Taxes	0.00	0.00
Trash/Dump	34.93	34.93
Travel Expense		
Travel - Hotel	390.37	2,054.48
Travel Expense - Other	1,172.93	4,361.91
<b>Total Travel Expense</b>	<b>1,563.30</b>	<b>6,416.39</b>
Utilities		
Fax	357.70	291.50
Utilities - Other	0.00	0.00
<b>Total Utilities</b>	<b>357.70</b>	<b>291.50</b>
<b>Total Expense</b>	<b>2,960,803.00</b>	<b>2,522,301.27</b>
<b>Net Ordinary Income</b>	<b>530,444.55</b>	<b>508,179.16</b>
<b>Net Income</b>	<b>530,444.55</b>	<b>508,179.16</b>



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Accrual Basis

**Profit & Loss by Month**  
June 2020 through May 2021

	Oct 20	Nov 20
Ordinary Income/Expense		
Income		
Credit Card Credit Return	1,262.74	1,361.70
Discount	0.00	0.00
Other Income	5,000.00	10,201.00
Sales	3,720,000.00	3,772,000.00
Sweep Interest	0.00	0.00
Total Income	3,726,262.74	3,783,562.70
Gross Profit	3,726,262.74	3,783,562.70
Expense		
Affiliates Reimbursement	2,351,901.80	2,785,052.39
Answering Service Exam	38,578.87	60,120.00
Application Fee	200.00	0.00
Auditing Expenses	10,000.00	0.00
Automobile Expense		
Gas	610.44	706.00
Mileage	67.62	99.59
Automobile Expense - Other	1,369.34	1,488.75
Total Automobile Expense	2,047.40	2,294.34
Background Checks	1,960.00	420.00
Bank Open Items	0.00	0.00
Bank Service Charges	139.18	82.15
City License	0.00	0.00
commission	0.00	0.00
Compliance Fee	0.00	0.00
Computer & Internet Security	3,555.52	14,802.00
Computer& Internet Supply		
Website	1,374.88	1,460.46
Computer& Internet Supply - Other	1,704.28	1,812.78
Total Computer& Internet Supply	3,079.16	3,273.24
Consultation	0.00	2,000.00
Covid 19 Test	0.00	0.00
Credit Reporting	0.00	0.00
Donation	0.00	250.00
Education	0.00	0.00
Electric	3,468.12	2,270.04
Employee Benefits	0.00	0.00
Employee Search Expense	2,809.57	3,168.62
Employment Service	130.00	0.00
Food Expenses	1,808.05	2,245.78
Fraud Expenses	0.00	0.00
Gift	1,655.60	0.00
Insurance Expense		
Life Insurance	14,995.00	0.00
Insurance Expense - Other	0.00	4,295.00
Total Insurance Expense	14,995.00	4,295.00
Interest Expense	0.00	33.83
lease improvement	0.00	0.00
Mail Fee	149.69	129.99
Marketing Expense	6,876.71	21,117.00
Meals and Entertainment		
Meetings	5,321.83	6,164.96
Meals and Entertainment - Other	0.00	0.00
Total Meals and Entertainment	5,321.83	6,164.96

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## Profit & Loss by Month

Accrual Basis

June 2020 through May 2021

	Oct 20	Nov 20
Medical Insurance	6,619.34	11,421.94
Membership Fees	85.97	85.97
Misc. Expense	0.00	0.00
Office Equipment	3,003.97	938.26
Office Remodel	0.00	0.00
Office Supplies	8,258.27	15,929.20
Online Reputation Management	0.00	0.00
Outside Consulting	0.00	0.00
Outside Service		
Office Cleaning	445.00	1,740.00
Outside Service - Other	82,037.92	142,881.62
Total Outside Service	82,482.92	144,621.62
Parking	0.00	0.00
Payroll Expenses		
Payroll Fees	239.62	490.54
Payroll Taxes	45,170.34	48,970.71
Payroll Expenses - Other	139,636.01	148,946.29
Total Payroll Expenses	185,045.97	198,407.54
Personal	0.00	0.00
Phone	8,477.03	7,363.64
Postage and Delivery	18,011.00	35,174.58
Printing Expense	222.76	3,849.17
Professional Fees	9,111.00	17,990.00
professional Software Service	0.00	0.00
Reconciliation Discrepancies	0.00	0.00
Referral	0.00	3,000.00
Rent Expense	14,192.50	14,192.50
Repairs and Maintenance	994.39	0.00
Service Charge Fees	245.80	367.40
Shipping and Delivery	1,370.37	1,212.88
Shredding	400.00	320.00
Soft Scape	0.00	0.00
Software	31,453.59	33,869.63
State Filing Expense	0.00	0.00
Tax Consulting	0.00	0.00
Taxes	0.00	0.00
Trash/Dump	34.93	34.93
Travel Expense		
Travel - Hotel	0.00	4,426.00
Travel Expense - Other	17,758.94	430.60
Total Travel Expense	17,758.94	4,856.60
Utilities		
Fax	935.35	1,049.07
Utilities - Other	0.00	0.00
Total Utilities	935.35	1,049.07
Total Expense	2,837,380.60	3,402,404.27
Net Ordinary Income	888,882.14	381,158.43
Net Income	888,882.14	381,158.43

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**Profit & Loss by Month**

Accrual Basis

June 2020 through May 2021

	Dec 20	Jan 21
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
Credit Card Credit Return	794.14	73.57
Discount	0.00	0.00
Other Income	340.40	15,098.34
Sales	4,774,000.00	4,886,802.31
Sweep Interest	0.00	0.00
<b>Total Income</b>	<b>4,775,134.54</b>	<b>4,901,974.22</b>
<b>Gross Profit</b>	<b>4,775,134.54</b>	<b>4,901,974.22</b>
<b>Expense</b>		
Affiliates Reimbursement	3,119,196.73	2,996,956.47
Answering Service Exam	0.00	0.00
Application Fee	0.00	0.00
Auditing Expenses	11,500.00	0.00
Automobile Expense		
Gas	1,210.17	373.01
Mileage	90.97	77.74
Automobile Expense - Other	1,315.75	1,315.75
<b>Total Automobile Expense</b>	<b>2,616.89</b>	<b>1,766.50</b>
Background Checks	5,231.00	2,800.00
Bank Open Items	0.00	0.00
Bank Service Charges	220.05	1,132.95
City License	0.00	0.00
commission	0.00	0.00
Compliance Fee	0.00	100.00
Computer & Internet Security	42,171.81	1,475.00
Computer& Internet Supply		
Website	1,263.90	1,588.80
Computer& Internet Supply - Other	3,954.32	45,192.51
<b>Total Computer&amp; Internet Supply</b>	<b>5,218.22</b>	<b>46,781.31</b>
Consultation	24,940.00	24,068.66
Covid 19 Test	400.00	1,025.00
Credit Reporting	0.00	0.00
Donation	0.00	0.00
Education	0.00	1,785.00
Electric	2,015.66	2,015.66
Employee Benefits	910.14	0.00
Employee Search Expense	3,531.23	2,106.77
Employment Service	-130.00	0.00
Food Expenses	2,030.05	1,491.69
Fraud Expenses	0.00	9.99
Gift	10,000.00	0.00
Insurance Expense		
Life Insurance	0.00	0.00
Insurance Expense - Other	0.00	4,880.00
<b>Total Insurance Expense</b>	<b>0.00</b>	<b>4,880.00</b>
Interest Expense	499.79	137.60
lease improvement	0.00	0.00
Mail Fee	25.00	0.00
Marketing Expense	43,536.57	18,446.96
Meals and Entertainment		
Meetings	7,608.43	5,289.82
Meals and Entertainment - Other	0.00	0.00
<b>Total Meals and Entertainment</b>	<b>7,608.43</b>	<b>5,289.82</b>

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Accrual Basis

B.A.T.

## Profit & Loss by Month

June 2020 through May 2021

	Dec 20	Jan 21
Medical Insurance	17,502.67	11,696.72
Membership Fees	85.97	95.97
Misc. Expense	19.37	0.00
Office Equipment	15,630.58	1,904.22
Office Remodel	0.00	0.00
Office Supplies	34,185.08	12,848.62
Online Reputation Management	0.00	0.00
Outside Consulting	259,246.67	2,605.68
Outside Service		
Office Cleaning	1,695.00	1,695.00
Outside Service - Other	207,379.73	139,190.24
Total Outside Service	209,074.73	140,885.24
Parking	0.00	0.00
Payroll Expenses		
Payroll Fees	822.36	2,716.60
Payroll Taxes	88,442.90	43,769.77
Payroll Expenses - Other	288,893.78	114,778.66
Total Payroll Expenses	378,159.04	161,265.03
Personal	1,288.62	0.00
Phone	27,226.18	62,280.81
Postage and Delivery	10,386.64	21,543.42
Printing Expense	4,123.87	1,035.00
Professional Fees	44,423.00	10,370.00
professional Software Service	0.00	0.00
Reconciliation Discrepancies	0.00	11,100.00
Referral	0.00	0.00
Rent Expense	14,618.28	14,368.31
Repairs and Maintenance	1,210.00	0.00
Service Charge Fees	1,235.30	3,725.55
Shipping and Delivery	3,151.90	527.54
Shredding	320.00	468.00
Soft Scape	0.00	0.00
Software	46,471.76	37,967.73
State Filing Expense	5.00	0.00
Tax Consulting	0.00	0.00
Taxes	2,696.24	0.00
Trash/Dump	34.93	0.00
Travel Expense		
Travel - Hotel	2,841.03	9,539.35
Travel Expense - Other	0.00	0.00
Total Travel Expense	2,841.03	9,539.35
Utilities		
Fax	1,119.65	612.10
Utilities - Other	0.00	0.00
Total Utilities	1,119.65	612.10
Total Expense	4,356,578.08	3,617,108.67
Net Ordinary Income	418,556.46	1,284,865.55
Net Income	418,556.46	1,284,865.55



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**Profit & Loss by Month**

Accrual Basis

June 2020 through May 2021

	Feb 21	Mar 21
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
Credit Card Credit Return	0.00	371.03
Discount	0.00	0.00
Other Income	150.94	0.00
Sales	4,586,000.00	5,420,318.22
Sweep Interest	0.00	0.00
<b>Total Income</b>	<b>4,586,150.94</b>	<b>5,420,689.25</b>
<b>Gross Profit</b>	<b>4,586,150.94</b>	<b>5,420,689.25</b>
<b>Expense</b>		
Affiliates Reimbursement	2,877,468.53	3,508,040.74
Answering Service Exam	0.00	0.00
Application Fee	0.00	0.00
Auditing Expenses	0.00	0.00
Automobile Expense		
Gas	250.65	826.83
Mileage	50.37	0.00
Automobile Expense - Other	1,363.93	1,315.75
<b>Total Automobile Expense</b>	<b>1,664.95</b>	<b>2,142.58</b>
Background Checks	1,540.00	3,160.00
Bank Open Items	0.00	255.63
Bank Service Charges	571.64	79.00
City License	0.00	0.00
commission	0.00	0.00
Compliance Fee	0.00	0.00
Computer & Internet Security	0.00	13,197.20
Computer& Internet Supply		
Website	1,753.90	1,726.26
Computer& Internet Supply - Other	5,615.48	9,993.81
<b>Total Computer&amp; Internet Supply</b>	<b>7,369.38</b>	<b>11,720.07</b>
Consultation	16,085.06	56,256.79
Covid 19 Test	0.00	270.00
Credit Reporting	0.00	0.00
Donation	0.00	0.00
Education	15.99	350.00
Electric	2,379.28	2,647.40
Employee Benefits	0.00	0.00
Employee Search Expense	230.71	805.92
Employment Service	0.00	0.00
Food Expenses	2,490.76	1,760.19
Fraud Expenses	0.00	139.98
Gift	0.00	703.15
Insurance Expense		
Life Insurance	0.00	0.00
Insurance Expense - Other	0.00	31,784.60
<b>Total Insurance Expense</b>	<b>0.00</b>	<b>31,784.60</b>
Interest Expense	1,392.41	0.00
lease improvement	38,572.13	63,545.49
Mail Fee	500.00	1,214.00
Marketing Expense	3,790.80	2,053.53
Meals and Entertainment		
Meetings	14,958.25	11,766.03
Meals and Entertainment - Other	0.00	0.00
<b>Total Meals and Entertainment</b>	<b>14,958.25</b>	<b>11,766.03</b>

7:05 PM

B.A.T.

06/10/21

**Profit & Loss by Month**

Accrual Basis

June 2020 through May 2021

	Feb 21	Mar 21
Medical Insurance	20,574.03	10,366.85
Membership Fees	174.63	863.21
Misc. Expense	0.00	0.00
Office Equipment	1,172.19	759.69
Office Remodel	0.00	0.00
Office Supplies	22,476.30	12,360.89
Online Reputation Management	0.00	2,500.00
Outside Consulting	91,666.66	91,666.66
Outside Service		
Office Cleaning	2,504.51	4,524.99
Outside Service - Other	126,332.18	159,800.36
Total Outside Service	128,836.69	164,325.35
Parking	0.00	0.00
Payroll Expenses		
Payroll Fees	1,089.90	784.48
Payroll Taxes	91,488.25	102,565.39
Payroll Expenses - Other	232,484.19	264,924.17
Total Payroll Expenses	325,062.34	368,274.04
Personal	0.00	0.00
Phone	46,563.92	66,646.88
Postage and Delivery	57,304.35	13,671.44
Printing Expense	391.05	371.44
Professional Fees	9,200.00	11,500.00
professional Software Service	0.00	0.00
Reconciliation Discrepancies	0.00	-11,100.00
Referral	0.00	0.00
Rent Expense	14,618.28	14,618.28
Repairs and Maintenance	250.00	0.00
Service Charge Fees	4,361.35	4,965.55
Shipping and Delivery	1,570.11	1,117.42
Shredding	420.00	320.00
Soft Scape	52,600.00	0.00
Software	39,824.15	98,626.38
State Filing Expense	0.00	0.00
Tax Consulting	0.00	0.00
Taxes	0.00	66,840.00
Trash/Dump	230.12	230.12
Travel Expense		
Travel - Hotel	4,659.98	13,485.52
Travel Expense - Other	0.00	2,894.30
Total Travel Expense	4,659.98	16,379.82
Utilities		
Fax	722.60	495.20
Utilities - Other	0.00	1,390.00
Total Utilities	722.60	1,885.20
Total Expense	3,791,708.64	4,649,081.52
Net Ordinary Income	794,442.30	771,607.73
Net Income	<b>794,442.30</b>	<b>771,607.73</b>

7:05 PM

B.A.T.

06/10/21

**Profit & Loss by Month**

Accrual Basis

June 2020 through May 2021

	Apr 21	May 21
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
Credit Card Credit Return	139.98	59.00
Discount	3,000.00	0.00
Other Income	0.00	0.00
Sales	5,541,491.00	5,184,938.82
Sweep Interest	0.00	0.00
<b>Total Income</b>	<b>5,544,630.98</b>	<b>5,184,997.82</b>
<b>Gross Profit</b>	<b>5,544,630.98</b>	<b>5,184,997.82</b>
<b>Expense</b>		
Affiliates Reimbursement	3,839,941.94	4,153,136.36
Answering Service Exam	0.00	0.00
Application Fee	0.00	0.00
Auditing Expenses	9,000.00	5,980.00
Automobile Expense		
Gas	1,523.70	640.08
Mileage	0.00	363.75
Automobile Expense - Other	1,315.75	1,351.40
<b>Total Automobile Expense</b>	<b>2,839.45</b>	<b>2,355.23</b>
Background Checks	0.00	0.00
Bank Open Items	0.00	0.00
Bank Service Charges	112.01	10.00
City License	4.00	100.00
commission	35,676.80	0.00
Compliance Fee	0.00	0.00
Computer & Internet Security	22,460.45	18,083.16
Computer& Internet Supply		
Website	1,986.85	716.32
Computer& Internet Supply - Other	5,039.75	5,025.94
<b>Total Computer&amp; Internet Supply</b>	<b>7,026.60</b>	<b>5,742.26</b>
Consultation	194,544.61	136,493.21
Covid 19 Test	0.00	0.00
Credit Reporting	0.00	0.00
Donation	0.00	0.00
Education	0.00	0.00
Electric	2,978.93	3,042.19
Employee Benefits	0.00	0.00
Employee Search Expense	1,720.75	650.69
Employment Service	0.00	0.00
Food Expenses	3,030.90	1,448.83
Fraud Expenses	0.00	0.00
Gift	4,496.37	1,809.63
Insurance Expense		
Life Insurance	0.00	0.00
Insurance Expense - Other	0.00	4,060.00
<b>Total Insurance Expense</b>	<b>0.00</b>	<b>4,060.00</b>
Interest Expense	0.00	0.00
lease improvement	0.00	0.00
Mail Fee	1,141.68	2,427.81
Marketing Expense	4,770.33	59,668.68
Meals and Entertainment		
Meetings	14,910.60	4,946.11
Meals and Entertainment - Other	0.00	0.00
<b>Total Meals and Entertainment</b>	<b>14,910.60</b>	<b>4,946.11</b>

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06/10/21

Accrual Basis

**B.A.T.**

## Profit & Loss by Month

June 2020 through May 2021

	Apr 21	May 21
Medical Insurance	15,385.22	17,917.53
Membership Fees	57.98	57.98
Misc. Expense	0.00	0.00
Office Equipment	2,076.77	0.00
Office Remodel	0.00	0.00
Office Supplies	16,256.44	1,614.57
Online Reputation Management	0.00	0.00
Outside Consulting	0.00	0.00
Outside Service		
Office Cleaning	2,800.92	3,022.44
Outside Service - Other	98,269.36	124,756.94
<b>Total Outside Service</b>	<b>101,070.28</b>	<b>127,779.38</b>
Parking	30.00	0.00
Payroll Expenses		
Payroll Fees	1,778.22	1,598.67
Payroll Taxes	177,580.21	117,094.49
Payroll Expenses - Other	446,178.93	317,362.33
<b>Total Payroll Expenses</b>	<b>625,537.36</b>	<b>436,055.49</b>
Personal	337.29	0.00
Phone	77,841.44	38,424.92
Postage and Delivery	74,367.34	24,151.23
Printing Expense	1,339.33	961.30
Professional Fees	9,200.00	19,864.00
professional Software Service	7,000.00	8,500.00
Reconciliation Discrepancies	0.00	0.00
Referral	0.00	0.00
Rent Expense	14,618.28	14,618.28
Repairs and Maintenance	0.00	0.00
Service Charge Fees	9,020.43	10,262.12
Shipping and Delivery	781.58	163.88
Shredding	0.00	320.00
Soft Scape	0.00	0.00
Software	40,781.18	53,115.29
State Filing Expense	0.00	0.00
Tax Consulting	0.00	0.00
Taxes	0.00	0.00
Trash/Dump	230.12	230.12
Travel Expense		
Travel - Hotel	10,090.26	13,455.37
Travel Expense - Other	1,395.08	0.00
<b>Total Travel Expense</b>	<b>11,485.34</b>	<b>13,455.37</b>
Utilities		
Fax	530.10	663.90
Utilities - Other	0.00	40.00
<b>Total Utilities</b>	<b>530.10</b>	<b>703.90</b>
<b>Total Expense</b>	<b>5,152,601.90</b>	<b>5,168,149.52</b>
<b>Net Ordinary Income</b>	<b>392,029.08</b>	<b>16,848.30</b>
<b>Net Income</b>	<b>392,029.08</b>	<b>16,848.30</b>



7:05 PM

B.A.T.

06/10/21

## Profit & Loss by Month

Accrual Basis

June 2020 through May 2021

	TOTAL
Ordinary Income/Expense	
Income	
Credit Card Credit Return	7,446.93
Discount	3,000.00
Other Income	45,790.68
Sales	49,699,333.36
Sweep Interest	16.75
Total Income	49,755,587.72
Gross Profit	49,755,587.72
Expense	
Affiliates Reimbursement	33,930,200.23
Answering Service Exam	98,698.87
Application Fee	200.00
Auditing Expenses	36,480.00
Automobile Expense	
Gas	8,133.84
Mileage	1,324.72
Automobile Expense - Other	19,723.43
Total Automobile Expense	29,181.99
Background Checks	20,276.00
Bank Open Items	255.63
Bank Service Charges	3,139.54
City License	4,427.00
commission	35,676.80
Compliance Fee	100.00
Computer & Internet Security	200,943.34
Computer& Internet Supply	
Website	14,668.74
Computer& Internet Supply - Other	132,650.53
Total Computer& Internet Supply	147,319.27
Consultation	489,978.33
Covid 19 Test	1,695.00
Credit Reporting	24,151.68
Donation	20,250.00
Education	2,349.99
Electric	32,488.38
Employee Benefits	3,723.04
Employee Search Expense	17,507.59
Employment Service	561.86
Food Expenses	19,062.92
Fraud Expenses	540.61
Gift	18,664.75
Insurance Expense	
Life Insurance	14,995.00
Insurance Expense - Other	45,019.60
Total Insurance Expense	60,014.60
Interest Expense	2,063.63
lease improvement	102,117.62
Mail Fee	5,869.59
Marketing Expense	217,112.58
Meals and Entertainment	
Meetings	109,946.23
Meals and Entertainment - Other	1,140.50
Total Meals and Entertainment	111,086.73

7:05 PM

**B.A.T.**

06/10/21

## **Profit & Loss by Month**

Accrual Basis

June 2020 through May 2021

	TOTAL
Medical Insurance	157,608.13
Membership Fees	1,647.64
Misc. Expense	19.37
Office Equipment	54,288.39
Office Remodel	0.00
Office Supplies	177,877.11
Online Reputation Management	2,500.00
Outside Consulting	605,185.67
Outside Service	
Office Cleaning	28,453.86
Outside Service - Other	1,270,571.82
Total Outside Service	1,299,025.68
Parking	30.00
Payroll Expenses	
Payroll Fees	10,196.45
Payroll Taxes	876,012.13
Payroll Expenses - Other	2,461,995.00
Total Payroll Expenses	3,348,203.58
Personal	1,625.91
Phone	369,232.89
Postage and Delivery	329,456.06
Printing Expense	18,313.77
Professional Fees	176,488.00
professional Software Service	15,500.00
Reconciliation Discrepancies	0.00
Referral	3,000.00
Rent Expense	183,137.71
Repairs and Maintenance	12,984.96
Service Charge Fees	34,344.50
Shipping and Delivery	12,289.30
Shredding	3,558.00
Soft Scape	52,600.00
Software	492,106.85
State Filing Expense	5.00
Tax Consulting	3,715.00
Taxes	71,785.24
Trash/Dump	1,164.29
Travel Expense	
Travel - Hotel	60,942.36
Travel Expense - Other	50,634.02
Total Travel Expense	111,576.38
Utilities	
Fax	7,503.27
Utilities - Other	1,991.86
Total Utilities	9,495.13
Total Expense	43,184,902.13
Net Ordinary Income	6,570,685.59
Net Income	<b>6,570,685.59</b>

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06/10/21

Accrual Basis

**B.A.T.**  
**Trial Balance**  
As of May 31, 2021

	May 31, 21	
	Debit	Credit
Cash Account	14,489.00	
Chase Bank 7885	3,300,000.00	
City National Bank	0.00	
City National Sweep	0.00	
CNB	0.00	
CNB - Nevada	0.00	
Petty Cash- Asante,	1,581.39	
Petty Cash - Brooke	2,105.25	
Petty Cash - San Juan	0.00	
Union Bank 1804	21,499.21	
Union Bank 4833		65,944.99
Accounts Receivable	50,523.83	
Accounts Receivable:Client Payments	0.00	
CP Customers Control	1,963,821.83	
Inventory Asset	0.00	
Personal Loan	271,000.00	
Undeposited Funds	0.00	
Accumulated Depreciation		160,904.09
Call Center /Headsets	5,817.90	
Computer /Monitor	216,678.70	
Furniture and Equipment	60,068.80	
Leasehold Improvements	10,148.96	
Office Depot	3,835.76	
Pool Table / Arcade	10,660.69	
Printer	10,610.89	
Refrigerator	654.93	
Tenant Improvment	277,782.50	
Windows	15,111.00	
Account Payable - OTHER		245,627.02
Accounts Payable -AFFILIATES		2,127,892.35
AMEX Platinum	0.00	
Arsha Courp	0.00	
Credit Card Balance:AMEX Platinum	0.00	
Credit Card Balance:Chase Hyatt	0.00	
Credit Card Balance:Chase Southwest	0.00	
LPG Law Frim		424,143.07
Refund	0.00	
Uncleared checks		2,053.76
Loan - Petty Cash Reimb.	0.00	
LOAN DISB/AFS		294,860.00
Loan Payback		1,819.85
Payroll payable		31,448.82
Payroll Tax payable	238.58	
Petty Cash Reimbursement		300.00
Capital Stock		54,950.50
Officer Distribution	5,013,605.23	

7:12 PM

06/10/21

Accrual Basis

**B.A.T.**  
**Trial Balance**  
As of May 31, 2021

	May 31, 21	
	Debit	Credit
Operating Control	0.00	
Retained Earnings		4,580,497.14
Credit Card Credit Return		643.58
Discount		3,000.00
Other Income		15,249.28
Sales		25,619,550.35
Affiliates Reimbursement	17,375,544.04	
Auditing Expenses	14,980.00	
Automobile Expense	6,662.58	
Automobile Expense:Gas	3,614.27	
Automobile Expense:Mileage	491.86	
Background Checks	7,500.00	
Bank Open Items	255.63	
Bank Service Charges	1,905.60	
City License	104.00	
commission	35,676.80	
Compliance Fee	100.00	
Computer & Internet Security	55,215.81	
Computer& Internet Supply	70,867.49	
Computer& Internet Supply:Website	7,772.13	
Consultation	427,448.33	
Covid 19 Test	1,295.00	
Education	2,150.99	
Electric	13,063.46	
Employee Search Expense	5,514.84	
Food Expenses	10,222.37	
Fraud Expenses	149.97	
Gift	7,009.15	
Insurance Expense	40,724.60	
Interest Expense	1,530.01	
lease improvement	102,117.62	
Mail Fee	5,283.49	
Marketing Expense	88,730.30	
Meals and Entertainment:Meetings	51,870.81	
Medical Insurance	75,940.35	
Membership Fees	1,249.77	
Office Equipment	5,912.87	
Office Supplies	65,556.82	
Online Reputation Management	2,500.00	
Outside Consulting	185,939.00	
Outside Service	648,349.08	
Outside Service:Office Cleaning	14,547.86	
Parking	30.00	
Payroll Expenses	1,375,728.28	
Payroll Expenses:Payroll Fees	7,967.87	
Payroll Expenses:Payroll Taxes	532,498.11	



7:12 PM

06/10/21

Accrual Basis

**B.A.T.**  
**Trial Balance**  
As of May 31, 2021

	May 31, 21	
	Debit	Credit
Personal	337.29	
Phone	291,757.97	
Postage and Delivery	191,037.78	
Printing Expense	4,098.12	
Professional Fees	60,134.00	
professional Software Service	15,500.00	
Reconciliation Discrepancies	0.00	
Rent Expense	72,841.43	
Repairs and Maintenance	250.00	
Service Charge Fees	32,335.00	
Shipping and Delivery	4,160.53	
Shredding	1,528.00	
Soft Scape	52,600.00	
Software	270,314.73	
Taxes	66,840.00	
Trash/Dump	920.48	
Travel Expense	4,289.38	
Travel Expense:Travel - Hotel	51,230.48	
Utilities	1,430.00	
Utilities:Fax	3,023.90	
<b>TOTAL</b>	<b>33,628,884.80</b>	<b>33,628,884.80</b>

7:04 PM

B.A.T.

06/10/21

## Profit & Loss

Accrual Basis

May 2021

	May 21
Ordinary Income/Expense	
Income	
Credit Card Credit Return	59.00
Sales	5,184,938.82
Total Income	5,184,997.82
Gross Profit	5,184,997.82
Expense	
Affiliates Reimbursement	4,153,136.36
Auditing Expenses	5,980.00
Automobile Expense	
Gas	640.08
Mileage	363.75
Automobile Expense - Other	1,351.40
Total Automobile Expense	2,355.23
Bank Service Charges	10.00
City License	100.00
Computer & Internet Security	18,083.16
Computer& Internet Supply	
Website	716.32
Computer& Internet Supply - Other	5,025.94
Total Computer& Internet Supply	5,742.26
Consultation	136,493.21
Electric	3,042.19
Employee Search Expense	650.69
Food Expenses	1,448.83
Gift	1,809.63
Insurance Expense	4,060.00
Mail Fee	2,427.81
Marketing Expense	59,668.68
Meals and Entertainment	
Meetings	4,946.11
Total Meals and Entertainment	4,946.11
Medical Insurance	17,917.53
Membership Fees	57.98
Office Supplies	1,614.57
Outside Service	
Office Cleaning	3,022.44
Outside Service - Other	124,756.94
Total Outside Service	127,779.38
Payroll Expenses	
Payroll Fees	1,598.67
Payroll Taxes	117,094.49
Payroll Expenses - Other	317,362.33
Total Payroll Expenses	436,055.49

7:04 PM

B.A.T.

06/10/21

## Profit & Loss

Accrual Basis

May 2021

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	May 21
Phone	38,424.92
Postage and Delivery	24,151.23
Printing Expense	961.30
Professional Fees	19,864.00
professional Software Service	8,500.00
Rent Expense	14,618.28
Service Charge Fees	10,262.12
Shipping and Delivery	163.88
Shredding	320.00
Software	53,115.29
Trash/Dump	230.12
Travel Expense	
Travel - Hotel	13,455.37
Total Travel Expense	13,455.37
Utilities	
Fax	663.90
Utilities - Other	40.00
Total Utilities	703.90
Total Expense	5,168,149.52
Net Ordinary Income	16,848.30
Net Income	16,848.30

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**PLACEHOLDER**

**OHPLPG00072258-OHPLPG00072330 CAN BE PROVIDED IN NATIVE**

Message

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**From:** Kevin Yu [kevin.yu93@gmail.com]  
**on behalf of** Kevin Yu <kevin.yu93@gmail.com> [kevin.yu93@gmail.com]  
**Sent:** 9/9/2021 12:21:22 AM  
**To:** Tony Diab [tony@coastprocessing.com]  
**CC:** Mario Azevedo [mario@azevedo.com]; Adam Blum [AdamBlum@aol.com]  
**Subject:** Re: Leveraged Buyout and JV Entity

Hey all,

Can y'all please provide us with the buy-out agreement with Asante and the latest set of financials y'all have (unaudited is fine).

Thanks,

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

On Tue, Aug 24, 2021 at 1:35 AM Tony Diab <[tony@coastprocessing.com](mailto:tony@coastprocessing.com)> wrote:  
Hi Kevin -

My apologies for the delay, I had to confirm with all interested individuals. This structure works for us. I would ask if you could prepare the term sheet. I will send the draft promissory note in the morning.

Thanks,  
Tony

On Thu, Aug 19, 2021 at 7:05 PM Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:  
Hey all,

Per Mario's request, here's a summary of the terms as we understand it from our side. This is also how we have the attached model working. Note that this is all high-level and I've highlighted only a few debt terms we'd expect to include as part of standard market terms. This is also contingent and subject to change upon our receipt and understanding of the buyout docs, but high level this is our understanding.

Loan:

- ~\$5 million loan to LPG - 16% interest, current pay interest, principal paydown at LPG's discretion
- Expected ~150k - 250k in monthly payments (including interest) per month from LPG's cash flows

JV Entity:

- Nominal start-up cost invested in entity
- OHP will fund preferred equity (i.e. first money out) to purchase packages
- Common equity afterwards split 50% OHP and 50% LPG and co.
- Exception for first 20 months (or until loan is paid down) where monthly distributions of all excess cash (leaving a nominal 25-50k in the entity) will be made, at 50-50, to help LPG pay down the above loan
- After loan is paid down, cash is recycled within the JV until monthly cash receivables are greater than next months expected purchases, at which point distributions of cash in excess of expected purchases will be made first to pay down preferred equity, then distributed 50/50 to partners.

Other:

- Standard debt terms
- ROFR on all package buying, at cost - carveout for certain existing agreement (e.g. Brian's monthly purchase)
- Covenants surrounding package purchase price (<7.25%), default rate (<30%), etc.
- All asset lien on LPG (or something to this effect if this is explicitly disallowed)

Whenever you get a solid term sheet draft, let us know. Thanks.

Kevin Yu

[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)

(512) 888-8897

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Coast Processing  
1351 Calle Avanzado  
Suite 2  
San Clemente, CA 92673  
949.229.6262, ext. 1013  
[tony@coastprocessing.com](mailto:tony@coastprocessing.com)



Message

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**From:** elijah@lpglaw.com.com [elijah@lpglaw.com.com]  
**Sent:** 9/2/2021 4:34:50 PM  
**To:** kevin.yu93@gmail.com  
**Subject:** New Note Created On File: [REDACTED] SR - 494034888

Note Type: General

Entered By: [REDACTED]

Notified: kevin.yu93@gmail.com, sharon.murray@nextstepfinancial.org, tabby.amare@nextstepfinancial.org

CI called in returning missed phone call.

Message

---

**From:** Tony Diab [tony@coastprocessing.com]  
**on behalf of** Tony Diab <tony@coastprocessing.com> [tony@coastprocessing.com]  
**Sent:** 8/24/2021 6:34:41 AM  
**To:** Kevin Yu [kevin.yu93@gmail.com]  
**CC:** Mario Azevedo [mario@azevedo.com]; Adam Blum [AdamBlum@aol.com]  
**Subject:** Re: Leveraged Buyout and JV Entity

Hi Kevin -

My apologies for the delay, I had to confirm with all interested individuals. This structure works for us. I would ask if you could prepare the term sheet. I will send the draft promissory note in the morning.

Thanks,  
Tony

On Thu, Aug 19, 2021 at 7:05 PM Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:  
Hey all,

Per Mario's request, here's a summary of the terms as we understand it from our side. This is also how we have the attached model working. Note that this is all high-level and I've highlighted only a few debt terms we'd expect to include as part of standard market terms. This is also contingent and subject to change upon our receipt and understanding of the buyout docs, but high level this is our understanding.

Loan:

- ~\$5 million loan to LPG - 16% interest, current pay interest, principal paydown at LPG's discretion
- Expected ~150k - 250k in monthly payments (including interest) per month from LPG's cash flows

JV Entity:

- Nominal start-up cost invested in entity
- OHP will fund preferred equity (i.e. first money out) to purchase packages
- Common equity afterwards split 50% OHP and 50% LPG and co.
- Exception for first 20 months (or until loan is paid down) where monthly distributions of all excess cash (leaving a nominal 25-50k in the entity) will be made, at 50-50, to help LPG pay down the above loan
- After loan is paid down, cash is recycled within the JV until monthly cash receivables are greater than next months expected purchases, at which point distributions of cash in excess of expected purchases will be made first to pay down preferred equity, then distributed 50/50 to partners.

Other:

- Standard debt terms
- ROFR on all package buying, at cost - carveout for certain existing agreement (e.g. Brian's monthly purchase)
- Covenants surrounding package purchase price (<7.25%), default rate (<30%), etc.
- All asset lien on LPG (or something to this effect if this is explicitly disallowed)

Whenever you get a solid term sheet draft, let us know. Thanks.

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

--

Coast Processing  
1351 Calle Avanzado  
Suite 2  
San Clemente, CA 92673  
949.229.6262, ext. 1013  
[tony@coastprocessing.com](mailto:tony@coastprocessing.com)

Message

---

**From:** Kevin Yu [kevin.yu93@gmail.com]  
**on behalf of** Kevin Yu <kevin.yu93@gmail.com> [kevin.yu93@gmail.com]  
**Sent:** 8/20/2021 2:05:26 AM  
**To:** Mario Azevedo [mario@azevedo.com]; Tony Diab [tony@coastprocessing.com]  
**CC:** Adam Blum [AdamBlum@aol.com]  
**Subject:** Leveraged Buyout and JV Entity  
**Attachments:** Coast - OHP JV model 8-18.xlsx

Hey all,

Per Mario's request, here's a summary of the terms as we understand it from our side. This is also how we have the attached model working. Note that this is all high-level and I've highlighted only a few debt terms we'd expect to include as part of standard market terms. This is also contingent and subject to change upon our receipt and understanding of the buyout docs, but high level this is our understanding.

Loan:

- ~\$5 million loan to LPG - 16% interest, current pay interest, principal paydown at LPG's discretion
- Expected ~150k - 250k in monthly payments (including interest) per month from LPG's cash flows

JV Entity:

- Nominal start-up cost invested in entity
- OHP will fund preferred equity (i.e. first money out) to purchase packages
- Common equity afterwards split 50% OHP and 50% LPG and co.
- Exception for first 20 months (or until loan is paid down) where monthly distributions of all excess cash (leaving a nominal 25-50k in the entity) will be made, at 50-50, to help LPG pay down the above loan
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- Standard debt terms
- ROFR on all package buying, at cost - carveout for certain existing agreement (e.g. Brian's monthly purchase)
- Covenants surrounding package purchase price (<7.25%), default rate (<30%), etc.
- All asset lien on LPG (or something to this effect if this is explicitly disallowed)

Whenever you get a solid term sheet draft, let us know. Thanks.

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

**PLACEHOLDER**

**OHPLPG00072337-OHPLPG00072660 CAN BE PROVIDED IN NATIVE**

Message

---

**From:** Tony Diab [tony@coastprocessing.com]  
**on behalf of** Tony Diab <tony@coastprocessing.com> [tony@coastprocessing.com]  
**Sent:** 8/5/2021 6:17:01 AM  
**To:** Kevin Yu [kevin.yu93@gmail.com]  
**CC:** Brian [brian@freedomea.com]  
**Subject:** Re: Model

Thanks Kevin, this framework looks good from our perspective, do you want me to draft an agreement or did you want to take the first stab at it?

Also, what period of time do you anticipate the due diligence process will take?

Thanks,  
Tony

On Wed, Aug 4, 2021 at 3:22 PM Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:  
Hey all,

See attached. Assuming 150 purchasable files/220k in files per month (LPG pays for 150k worth and we fund the rest), growing at about 4% per month (increases steadily to about 400k/month after 1 year) we're projecting a 20 month payback, after monthly distributions of all excess cash. With more availability that number and the associated interest expense would decrease.

Let me know if y'all want to set up a time to talk through this further, or have any comments or suggestions on the assumptions I've made here.

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

--

Coast Processing  
1351 Calle Avanzado  
Suite 2  
San Clemente, CA 92673  
949.229.6262, ext. 1013  
[tony@coastprocessing.com](mailto:tony@coastprocessing.com)



Message

---

**From:** Kevin Yu [kevin.yu93@gmail.com]  
**on behalf of** Kevin Yu <kevin.yu93@gmail.com> [kevin.yu93@gmail.com]  
**Sent:** 8/4/2021 10:22:00 PM  
**To:** Brian [brian@freedomea.com]; Tony Diab [tony@coastprocessing.com]  
**Subject:** Model  
**Attachments:** Coast - OHP JV model 8-4.xlsx

Hey all,

See attached. Assuming 150 purchasable files/220k in files per month (LPG pays for 150k worth and we fund the rest), growing at about 4% per month (increases steadily to about 400k/month after 1 year) we're projecting a 20 month payback, after monthly distributions of all excess cash. With more availability that number and the associated interest expense would decrease.

Let me know if y'all want to set up a time to talk through this further, or have any comments or suggestions on the assumptions I've made here.

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

**PLACEHOLDER**

**OHPLPG00072663-OHPLPG00072990 CAN BE PROVIDED IN NATIVE**

Message

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**From:** Kevin Yu [kevin.yu93@gmail.com]  
**on behalf of** Kevin Yu <kevin.yu93@gmail.com> [kevin.yu93@gmail.com]  
**Sent:** 7/26/2021 8:55:38 AM  
**To:** Tony Diab [tony@coastprocessing.com]  
**CC:** Kevin Yu [kevin.yu@oldhickorypartners.com]  
**Subject:** Re: Revised Term Sheet

Sounds good. Yes, I can hop on a call tomorrow afternoon. My calendar is pretty clear so let me know what times work best for you.

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

On Sun, Jul 25, 2021 at 11:14 PM Tony Diab <[tony@coastprocessing.com](mailto:tony@coastprocessing.com)> wrote:

Hi Kevin -

The share purchase agreement was confidential, I will have to obtain a release to be able to share it. I will work on that tomorrow.

Are you available for a call tomorrow afternoon? Just a quit call to discuss all of the options so we are all on the same page.

Thanks,  
Tony

On Thu, Jul 22, 2021 at 2:18 PM Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:

Yes, apologies, will try to have something to you tomorrow. Do you have buyout docs we can review simultaneously?

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

On Wed, Jul 21, 2021 at 8:32 PM Tony Diab <[tony@coastprocessing.com](mailto:tony@coastprocessing.com)> wrote:

Hi Kevin -

Can you forward a term sheet for review? I understand that Brian shared with you that only Litigation Practice Group PC remains, and the relevant percentage would be 50% instead of 30%. Please forward and I will review with Brian and Mario and respond.

Thanks,  
Tony

--

Coast Processing

1351 Calle Avanzado  
Suite 2  
San Clemente, CA 92673  
949.229.6262, ext. 1013  
[tony@coastprocessing.com](mailto:tony@coastprocessing.com)

--  
Coast Processing  
1351 Calle Avanzado  
Suite 2  
San Clemente, CA 92673  
949.229.6262, ext. 1013  
[tony@coastprocessing.com](mailto:tony@coastprocessing.com)

Message

---

**From:** Tony Diab [tony@coastprocessing.com]  
**on behalf of** Tony Diab <tony@coastprocessing.com> [tony@coastprocessing.com]  
**Sent:** 7/26/2021 4:13:23 AM  
**To:** Kevin Yu [kevin.yu93@gmail.com]  
**CC:** Kevin Yu [kevin.yu@oldhickorypartners.com]  
**Subject:** Re: Revised Term Sheet

Hi Kevin -

The share purchase agreement was confidential, I will have to obtain a release to be able to share it. I will work on that tomorrow.

Are you available for a call tomorrow afternoon? Just a quick call to discuss all of the options so we are all on the same page.

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Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

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Thanks,  
Tony

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Coast Processing  
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Suite 2  
San Clemente, CA 92673  
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[tony@coastprocessing.com](mailto:tony@coastprocessing.com)

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Suite 2  
San Clemente, CA 92673  
949.229.6262, ext. 1013  
[tony@coastprocessing.com](mailto:tony@coastprocessing.com)



Message

---

**From:** Kevin Yu [kevin.yu93@gmail.com]  
**on behalf of** Kevin Yu <kevin.yu93@gmail.com> [kevin.yu93@gmail.com]  
**Sent:** 7/22/2021 9:18:34 PM  
**To:** Tony Diab [tony@coastprocessing.com]  
**CC:** Kevin Yu [kevin.yu@oldhickorypartners.com]  
**Subject:** Re: Revised Term Sheet

Yes, apologies, will try to have something to you tomorrow. Do you have buyout docs we can review simultaneously?

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

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Thanks,  
Tony

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1351 Calle Avanzado  
Suite 2  
San Clemente, CA 92673  
949.229.6262, ext. 1013  
[tony@coastprocessing.com](mailto:tony@coastprocessing.com)

Message

---

**From:** Tony Diab [tony@coastprocessing.com]  
**on behalf of** Tony Diab <tony@coastprocessing.com> [tony@coastprocessing.com]  
**Sent:** 7/22/2021 1:31:28 AM  
**To:** Kevin Yu [kevin.yu@oldhickorypartners.com]; Kevin Yu [kevin.yu93@gmail.com]  
**Subject:** Revised Term Sheet

Hi Kevin -

Can you forward a term sheet for review? I understand that Brian shared with you that only Litigation Practice Group PC remains, and the relevant percentage would be 50% instead of 30%. Please forward and I will review with Brian and Mario and respond.

Thanks,  
Tony

--

Coast Processing  
1351 Calle Avanzado  
Suite 2  
San Clemente, CA 92673  
949.229.6262, ext. 1013  
[tony@coastprocessing.com](mailto:tony@coastprocessing.com)

Message

---

**From:** Kevin Yu [kevin.yu93@gmail.com]  
**on behalf of** Kevin Yu <kevin.yu93@gmail.com> [kevin.yu93@gmail.com]  
**Sent:** 5/27/2021 11:09:21 PM  
**To:** Asante Bayrooti [asante@coastprocessing.com]  
**Subject:** Re: Check-in

Hey Asante,

Thanks for catching up quickly yesterday, look forward to hearing more. In the meantime, I'm trying to build Coast's actual growth in 2020 into our projections model. Would it be possible to get y'all's "affiliates reimbursement" numbers by month?

Thanks,

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

On Wed, May 26, 2021 at 7:48 PM Asante Bayrooti <[asante@coastprocessing.com](mailto:asante@coastprocessing.com)> wrote:  
Call me

Asante Bayrooti  
949-355-9514

On May 26, 2021, at 3:23 PM, Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:

Hi all,

Wanted to touch base and check in and see how things were going. Do y'all feel Coast is at a place to resume discussions on our deal? I caught up with Scott and the audit team and was impressed by the growth of the company in the past year. We continue to think this additional revenue stream will be a massive win-win for all parties and are excited to get this deal over the finish line.

Thanks,

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

Message

---

**From:** Kevin Yu [kevin.yu93@gmail.com]  
**on behalf of** Kevin Yu <kevin.yu93@gmail.com> [kevin.yu93@gmail.com]  
**Sent:** 5/27/2021 10:58:25 PM  
**To:** Mario Azevedo [Mario@azevedo.com]  
**Subject:** Re: Check-in

Asante called me yesterday saying something similar. Looking forward to reconnecting and hearing all about it.  
Thanks,

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

On Thu, May 27, 2021 at 5:25 PM Mario Azevedo <[Mario@azevedo.com](mailto:Mario@azevedo.com)> wrote:

Hi Kevin,

We should have things ironed out in about 2 weeks when we can disclose what we are up to.

I can tell you it is a good thing for us, client base, etc.

Lets connect after you speak to Asanti about it.

Mario

---

**From:** Kevin Yu [mailto:[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)]  
**Sent:** Wednesday, May 26, 2021 3:23 PM  
**To:** Asante Bayrooti; Brian; Mario Azevedo; Adam Blum  
**Subject:** Check-in

Hi all,

Wanted to touch base and check in and see how things were going. Do y'all feel Coast is at a place to resume discussions on our deal? I caught up with Scott and the audit team and was impressed by the growth of the company in the past year. We continue to think this additional revenue stream will be a massive win-win for all parties and are excited to get this deal over the finish line.

Thanks,

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

Message

---

**From:** Mario Azevedo [Mario@Azevedo.com]  
**on behalf of** Mario Azevedo <Mario@Azevedo.com> [Mario@Azevedo.com]  
**Sent:** 5/27/2021 10:25:48 PM  
**To:** 'Kevin Yu' [kevin.yu93@gmail.com]  
**Subject:** RE: Check-in

Hi Kevin,

We should have things ironed out in about 2 weeks when we can disclose what we are up to.  
I can tell you it is a good thing for us, client base, etc.  
Lets connect after you speak to Asanti about it.

Mario

---

**From:** Kevin Yu [mailto:kevin.yu93@gmail.com]  
**Sent:** Wednesday, May 26, 2021 3:23 PM  
**To:** Asante Bayrooti; Brian; Mario Azevedo; Adam Blum  
**Subject:** Check-in

Hi all,

Wanted to touch base and check in and see how things were going. Do y'all feel Coast is at a place to resume discussions on our deal? I caught up with Scott and the audit team and was impressed by the growth of the company in the past year. We continue to think this additional revenue stream will be a massive win-win for all parties and are excited to get this deal over the finish line.

Thanks,

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

Message

---

**From:** Asante Bayrooti [asante@coastprocessing.com]  
**on behalf of** Asante Bayrooti <asante@coastprocessing.com> [asante@coastprocessing.com]  
**Sent:** 5/27/2021 12:48:15 AM  
**To:** Kevin Yu [kevin.yu93@gmail.com]  
**Subject:** Re: Check-in

Call me

Asante Bayrooti  
949-355-9514

On May 26, 2021, at 3:23 PM, Kevin Yu <kevin.yu93@gmail.com> wrote:

Hi all,

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Thanks,

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897



Message

---

**From:** Kevin Yu [kevin.yu93@gmail.com]  
**on behalf of** Kevin Yu <kevin.yu93@gmail.com> [kevin.yu93@gmail.com]  
**Sent:** 5/26/2021 10:23:24 PM  
**To:** Asante Bayrooti [asante@coastprocessing.com]; Brian [brian@freedomea.com]; Mario Azevedo [mario@azevedo.com]; Adam Blum [AdamBlum@aol.com]  
**Subject:** Check-in

Hi all,

Wanted to touch base and check in and see how things were going. Do y'all feel Coast is at a place to resume discussions on our deal? I caught up with Scott and the audit team and was impressed by the growth of the company in the past year. We continue to think this additional revenue stream will be a massive win-win for all parties and are excited to get this deal over the finish line.

Thanks,

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

Message

---

**From:** Kevin Yu [kevin.yu93@gmail.com]  
**on behalf of** Kevin Yu <kevin.yu93@gmail.com> [kevin.yu93@gmail.com]  
**Sent:** 4/30/2021 7:20:46 PM  
**To:** Scott K. Bivens [sbivens@ks-llp.com]  
**CC:** Asante Bayrooti [asante@coastprocessing.com]  
**Subject:** Re: BAT Coast Processing

Yea either or is fine. Just let me know when y'all are finished and we can organize. I'm flexible.

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

On Fri, Apr 30, 2021 at 12:17 PM Scott K. Bivens <[sbivens@ks-llp.com](mailto:sbivens@ks-llp.com)> wrote:

Hi Kevin, we should have our audit work papers completed by early next week. It seems like you may be out in Texas so we can probably work it out so that you can review our audit file remotely or we can e-mail you copies of what you request. When would you want to review the file?

**Scott K. Bivens**

Audit Partner

Phone: (949) 270-7782

Address: 6201 Oak Canyon Drive

Suite 200, Irvine CA 92618

Email: [sbivens@ks-llp.com](mailto:sbivens@ks-llp.com)

**Kieckhafer  
Schiffer** **LLP**

---

**From:** Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)>  
**Sent:** Tuesday, April 27, 2021 7:45 PM  
**To:** Scott K. Bivens <[sbivens@ks-llp.com](mailto:sbivens@ks-llp.com)>  
**Cc:** Asante Bayrooti <[asante@coastprocessing.com](mailto:asante@coastprocessing.com)>  
**Subject:** Re: BAT Coast Processing

**[EXTERNAL]**

Hi Scott,

See attached. Let me know if you need anything else. Thanks!

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)

(512) 888-8897

On Tue, Apr 27, 2021 at 8:03 PM Scott K. Bivens <[sbivens@ks-llp.com](mailto:sbivens@ks-llp.com)> wrote:

Kevin, let me know if you have any questions. Please sign and return to me.

**Scott K. Bivens**

Audit Partner

Phone: (949) 270-7782

Address: 6201 Oak Canyon Drive

Suite 200, Irvine CA 92618

Email: [sbivens@ks-llp.com](mailto:sbivens@ks-llp.com)

**Kieckhafer  
Schiffer** **LLP**

Message

---

**From:** Scott K. Bivens [sbivens@ks-llp.com]  
**on behalf of** Scott K. Bivens <sbivens@ks-llp.com> [sbivens@ks-llp.com]  
**Sent:** 4/30/2021 5:17:19 PM  
**To:** Kevin Yu [kevin.yu93@gmail.com]  
**CC:** Asante Bayrooti [asante@coastprocessing.com]  
**Subject:** RE: BAT Coast Processing

Hi Kevin, we should have our audit work papers completed by early next week. It seems like you may be out in Texas so we can probably work it out so that you can review our audit file remotely or we can e-mail you copies of what you request. When would you want to review the file?

**Scott K. Bivens**  
Audit Partner  
Phone: (949) 270-7782  
Address: 6201 Oak Canyon Drive  
Suite 200, Irvine CA 92618  
Email: [sbivens@ks-llp.com](mailto:sbivens@ks-llp.com)



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**From:** Kevin Yu <kevin.yu93@gmail.com>  
**Sent:** Tuesday, April 27, 2021 7:45 PM  
**To:** Scott K. Bivens <sbivens@ks-llp.com>  
**Cc:** Asante Bayrooti <asante@coastprocessing.com>  
**Subject:** Re: BAT Coast Processing

**[EXTERNAL]**

Hi Scott,

See attached. Let me know if you need anything else. Thanks!

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

On Tue, Apr 27, 2021 at 8:03 PM Scott K. Bivens <[sbivens@ks-llp.com](mailto:sbivens@ks-llp.com)> wrote:  
Kevin, let me know if you have any questions. Please sign and return to me.

**Scott K. Bivens**  
Audit Partner  
Phone: (949) 270-7782  
Address: 6201 Oak Canyon Drive  
Suite 200, Irvine CA 92618  
Email: [sbivens@ks-llp.com](mailto:sbivens@ks-llp.com)





Message

---

**From:** Kevin Yu [kevin.yu93@gmail.com]  
**on behalf of** Kevin Yu <kevin.yu93@gmail.com> [kevin.yu93@gmail.com]  
**Sent:** 4/28/2021 2:44:54 AM  
**To:** Scott K. Bivens [sbivens@ks-llp.com]  
**CC:** Asante Bayrooti [asante@coastprocessing.com]  
**Subject:** Re: BAT Coast Processing  
**Attachments:** 3rd Party Acknowledgement Letter for BAT Inc\_executed.pdf

Hi Scott,

See attached. Let me know if you need anything else. Thanks!

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

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**Scott K. Bivens**

Audit Partner

Phone: (949) 270-7782

Address: 6201 Oak Canyon Drive

Suite 200, Irvine CA 92618

Email: [sbivens@ks-llp.com](mailto:sbivens@ks-llp.com)

**Kieckhafer  
Schiffer** 



April 27, 2021

Old Hickory  
Partners LP  
303 Colorado  
Suite 2550  
Austin, TX 78701  
Attn: Kevin Yu

Dear Mr. Yu:

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the December 31, 2020 financial statements of B.A.T. Inc. dba Coast Processing. We rendered a report on those financial statements and have not performed any audit procedures subsequent to the audit report date. In connection with this due diligence for your client, you have requested access to our audit documentation prepared in connection with that audit. B.A.T. Inc.'s management has authorized our firm to allow you to review that audit documentation.

Our audit, and the audit documentation prepared in connection therewith, of B.A.T. Inc.'s financial statements was not planned or conducted in contemplation of your review. Therefore, items of possible interest to you may not have been specifically addressed. Our use of professional judgment and the assessment of audit risk and materiality for the purpose of our audit mean that matters may have existed that would have been assessed differently by you. We make no representation as to the sufficiency or appropriateness of the information in our audit documentation for your purposes.

We understand that the purpose of your review is to obtain information about B.A.T. Inc. and our December 31, 2020 audit results to assist you with your company's due diligence. For that purpose only, we will provide you access to our audit documentation that relates to that objective.

Upon request, we will provide copies of audit documentation that provides factual information about B.A.T. Inc. You agree to subject any such copies or information otherwise derived from our audit documentation to your normal policy for retention of documentation and protection of confidential entity information. Furthermore, in the event of a third-party request for access to your documentation prepared in connection with decisions of B.A.T. Inc., you agree to obtain our permission before voluntarily allowing any such access to our audit documentation or information otherwise derived from our audit documentation, and to obtain on our behalf any releases that you obtain from such third party. You agree to advise us promptly and provide us a copy of any subpoena, summons, or other court order for access to your documentation that includes copies of our audit documentation or information otherwise derived therefrom.

Please confirm your agreement with the foregoing by signing and dating a copy of this letter and returning it to us.

Sincerely,

A handwritten signature in black ink that reads "Scott Bivens".

Kieckhafer Schiffer LLP

By: Scott Bivens, Audit Partner

Accepted: Old Hickory Partners LP

By: A handwritten signature in black ink that appears to read "Kevin Yu".

Date: 4/27/21



Message

---

**From:** Scott K. Bivens [sbivens@ks-llp.com]  
**on behalf of** Scott K. Bivens <sbivens@ks-llp.com> [sbivens@ks-llp.com]  
**Sent:** 4/28/2021 1:03:30 AM  
**To:** Kevin Yu [kevin.yu93@gmail.com]  
**CC:** Asante Bayrooti [asante@coastprocessing.com]  
**Subject:** BAT Coast Processing  
**Attachments:** 3rd Party Acknowledgement Letter for BAT Inc\_.pdf

Kevin, let me know if you have any questions. Please sign and return to me.

**Scott K. Bivens**

Audit Partner

Phone: (949) 270-7782

Address: 6201 Oak Canyon Drive  
Suite 200, Irvine CA 92618

Email: [sbivens@ks-llp.com](mailto:sbivens@ks-llp.com)

**Kieckhafer  
Schiffer** **LLP**



April 27, 2021

Old Hickory  
Partners LP  
303 Colorado  
Suite 2550  
Austin, TX 78701  
Attn: Kevin Yu

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**on behalf of** Asante Bayrooti <asante@coastprocessing.com> [asante@coastprocessing.com]  
**Sent:** 4/16/2021 9:41:47 AM  
**To:** Kevin Yu [kevin.yu93@gmail.com]  
**CC:** Adam Blum [adamblum@aol.com]  
**Subject:** Re: Financial Statement Discussion

Call me in the morning please

Asante Bayrooti  
949-355-9514

On Apr 15, 2021, at 7:45 PM, Kevin Yu <kevin.yu93@gmail.com> wrote:

I did, but I never heard back from you on a good time so I assumed you were too busy or something and I figured we'd push to tomorrow or next week. I can chat now if you're free.

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**on behalf of** Kevin Yu <kevin.yu93@gmail.com> [kevin.yu93@gmail.com]  
**Sent:** 4/16/2021 2:45:33 AM  
**To:** Asante Bayrooti [asante@coastprocessing.com]  
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Thanks,

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

Message

---

**From:** Asante Bayrooti [asante@coastprocessing.com]  
**on behalf of** Asante Bayrooti <asante@coastprocessing.com> [asante@coastprocessing.com]  
**Sent:** 4/8/2021 4:48:22 AM  
**To:** Kevin Yu [kevin.yu93@gmail.com]  
**CC:** Adam Blum [adamblum@aol.com]  
**Subject:** Re: Financial Statement Discussion

Next week some time

Asante Bayrooti  
949-355-9514

On Apr 7, 2021, at 12:43 PM, Kevin Yu <kevin.yu93@gmail.com> wrote:

Great, are there some dates and times that work well for you?

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

On Tue, Apr 6, 2021 at 10:59 PM Asante Bayrooti <[asante@coastprocessing.com](mailto:asante@coastprocessing.com)> wrote:

No issues  
You can meet with me and the accounting team

Asante Bayrooti  
949-355-9514

On Apr 6, 2021, at 3:14 PM, Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:

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Great to catch up the other day. We understand y'all wanting a few months to circle the wagons, but wanted to continue to do our due diligence in the meantime so we're ready to move when y'all are. In that spirit, we reviewed the financial statements y'all provided and had a couple questions.

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Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

Message

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**From:** Kevin Yu [kevin.yu93@gmail.com]  
**on behalf of** Kevin Yu <kevin.yu93@gmail.com> [kevin.yu93@gmail.com]  
**Sent:** 4/7/2021 7:43:07 PM  
**To:** Asante Bayrooti [asante@coastprocessing.com]  
**CC:** Adam Blum [adamblum@aol.com]  
**Subject:** Re: Financial Statement Discussion

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(512) 888-8897

Message

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**From:** Asante Bayrooti [asante@coastprocessing.com]  
**on behalf of** Asante Bayrooti <asante@coastprocessing.com> [asante@coastprocessing.com]  
**Sent:** 4/7/2021 3:59:54 AM  
**To:** Kevin Yu [kevin.yu93@gmail.com]  
**CC:** Brian [brian@freedomea.com]; Mario Azevedo [Mario@azevedo.com]; Adam Blum [adamblum@aol.com]  
**Subject:** Re: Financial Statement Discussion

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You can meet with me and the accounting team

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Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

Message

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**From:** Kevin Yu [kevin.yu93@gmail.com]  
**on behalf of** Kevin Yu <kevin.yu93@gmail.com> [kevin.yu93@gmail.com]  
**Sent:** 4/6/2021 10:14:35 PM  
**To:** Asante Bayrooti [asante@coastprocessing.com]; Brian [brian@freedomea.com]; Mario Azevedo [mario@azevedo.com]; Adam Blum [AdamBlum@aol.com]  
**Subject:** Financial Statement Discussion

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Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897



Message

---

**From:** Tony Diab [tony@coastprocessing.com]  
**on behalf of** Tony Diab <tony@coastprocessing.com> [tony@coastprocessing.com]  
**Sent:** 2/1/2021 5:25:23 AM  
**To:** Kevin Yu [kevin.yu93@gmail.com]  
**CC:** Brian [brian@freedomea.com]; Adam Blum [AdamBlum@aol.com]; Mario Azevedo [mario@azevedo.com]  
**Subject:** Re: Context surrounding disbarments  
**Attachments:** Release of Liability re License of Tony.docx

Hi Kevin -

Release attached, my apologies for the delay. Now that the issue of my licensing status has been raised as a concern, it is important to BAT to confirm that this will not become an issue at any point in the future. Disbarment carries a stigma that makes it impossible to defend claims. BAT does not want my consultation to it during our negotiations or any at any point in the past, present or future, to serve as cause to raise concerns or make demands about the operation of BAT. As noted multiple times, BAT wants to ensure that its unfettered control and discretion over its operations remains intact after this agreement is entered into. I am free tomorrow to discuss with you or your counsel at any time after noon pacific.

Thanks!

On Fri, Jan 29, 2021 at 3:21 PM Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:

Hey,

Wanted to check in on the liability waiver y'all wanted us to look over before consenting to the background check.

Thanks,

Kevin Yu  
[Kevin.Yu93@gmail.com](mailto:Kevin.Yu93@gmail.com)  
(512) 888-8897

On Jan 25, 2021, at 10:53 PM, Tony Diab <[tony@coastprocessing.com](mailto:tony@coastprocessing.com)> wrote:

Hi Kevin -

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Thanks,  
Tony

On Mon, Jan 25, 2021 at 6:03 PM Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:

Hi Tony,

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## ***WAIVER AND RELEASE OF LIABILITY***

As a condition of the Operating Agreement of an entity now known as PurchaseCo LLC, but which may take a different name at the time of formation, Old Hickory Partners – Coast L.P. (“OHP”), and its principals, agents, employees, and independent contractors, has requested information concerning the background of Tony M. Diab (“Diab”), an individual known to consult for BAT Inc. dba Coast Processing (“BAT”). Diab has voluntarily submitted to a background check and inquiry by OHP, and the Parties now formally agree to the following:

**1. DISCLOSURE.** OHP agrees to disclose all information obtained as a result of or in connection with its investigation into Diab, without limitation. Such information shall be shared with Diab only, and shall not be given to any other individuals or entity other than Diab or an individual authorized to act on behalf of OHP. Any disclosure of information to any individual other than Diab shall constitute a breach of this Agreement and event of default of any Operating Agreement OHP and BAT form for PurchaseCo LLC.

**2. ASSUMPTION OF THE RISKS AND RELEASE.** OHP understands and acknowledges that Diab is not authorized to practice law in any jurisdiction and currently does not practice law. BAT and Diab have disclosed Diab’s status and ineligibility to practice law. OHP and BAT both acknowledge and agree that Diab has not offered legal advice to either entity nor practiced law for benefit of nor on behalf of either entity. Diab has participated in negotiations of the Operating Agreement contemplated above as a consultant to BAT, and OHP now hereby agrees to the following:

- That OHP shall not raise, at any point after the execution of the Operating Agreement for PurchaseCo LLC, the status of Diab’s license nor any other conduct of Diab as a basis for terminating, modifying, amending, or in any way altering the Operating Agreement or relationship of the Parties. Any attempt to raise Diab’s license status of background as of the date of the background report run by OHP as contemplated by this Agreement shall be deemed an event of default under the Operating Agreement and shall trigger all remedies available thereunder;
- That OHP shall keep the contents of its background check and related inquiry under strict confidentiality, permitting access only to employees and agents of OHP, including counsel of record. Any disclosure, direct or indirect, of confidential information shall constitute an event of default under the Operating Agreement and shall trigger all remedies available thereunder;
- That OHP and BAT acknowledge that Diab has no title, role, or employment with BAT, but serves only as a consultant to BAT for limited purposes;
- That OHP may, at the conclusion of its background investigation, opt not to proceed with participation in the Operating Agreement or PurchaseCo LLC in general, and shall incur no liability nor be required to explain its decision not to proceed, even if that decision is the result of its investigation into Diab or based his status with the State Bar of California or Nevada.

**3. INDEMNIFICATION.** OHP and BAT agree to indemnify and hold Diab harmless for any claim that might arise against him by any individual or entity in connection with the formation or operation of BAT, OHP, PurchaseCo LLC, or any related entity, without limitation. This includes any claim that might be filed by BAT, OHP, PurchaseCo LLC, a client of any of the above, or an investor or vendor of any of the above. This indemnification shall include damages and attorneys' fees and costs for counsel of Diab's choosing, without limitation.

**4. FEES AND COSTS.** Any fee or cost incurred in enforcing the terms of this Agreement, including but not limited to attorneys' fees, shall be recoverable by the prevailing party to such dispute.

**5. APPLICABLE LAW.** Any legal or equitable claim that may arise from participation in the above shall be resolved under California law, and venue for such action shall be limited to the Superior Court of California for the County of Orange as the sole and exclusive jurisdiction and venue.

**6. NO DURESS.** I agree and acknowledge that I am under no pressure or duress to sign this Agreement and that I have been given a reasonable opportunity to review it before signing. I further agree and acknowledge that I am free to have my own legal counsel review this Agreement if I so desire. I further agree and acknowledge that Coast Processing has offered to refund any fees I have paid to use its facilities if I choose not to sign this Agreement.

**7. ARM'S LENGTH AGREEMENT.** This Agreement and each of its terms are the product of an arm's length negotiation between the Parties. In the event any ambiguity is found to exist in the interpretation of this Agreement, or any of its provisions, the Parties, and each of them, explicitly reject the application of any legal or equitable rule of interpretation which would lead to a construction either "for" or "against" a particular party based upon their status as the drafter of a specific term, language, or provision giving rise to such ambiguity. Accordingly, the Parties specifically reject the application of Cal. Civ. Code §1654 to this Agreement, as well as any other statute or common law principles of similar effect.

**8. ENFORCEABILITY.** The invalidity or unenforceability of any provision of this Agreement, whether standing alone or as applied to a particular occurrence or circumstance, shall not affect the validity or enforceability of any other provision of this Agreement or of any other applications of such provision, as the case may be, and such invalid or unenforceable provision shall be deemed not to be a part of this Agreement.

**I HAVE READ THIS DOCUMENT AND UNDERSTAND IT. I FURTHER UNDERSTAND THAT BY SIGNING THIS RELEASE, I VOLUNTARILY SURRENDER CERTAIN LEGAL RIGHTS.**

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

Message

---

**From:** Kevin Yu [kevin.yu93@gmail.com]  
**on behalf of** Kevin Yu <kevin.yu93@gmail.com> [kevin.yu93@gmail.com]  
**Sent:** 1/29/2021 11:21:31 PM  
**To:** Brian [brian@freedomea.com]  
**CC:** Adam Blum [AdamBlum@aol.com]; Tony Diab [tony@coastprocessing.com]; Mario Azevedo [mario@azevedo.com]  
**Subject:** Re: Context surrounding disbarments

Hey,

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Kevin Yu  
Kevin.Yu93@gmail.com  
(512) 888-8897

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On Mon, Jan 25, 2021 at 6:03 PM Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:

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Kevin Yu

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1351 Calle Avanzado

Suite 2

San Clemente, CA 92673

949.229.6262, ext. 1013

[tony@coastprocessing.com](mailto:tony@coastprocessing.com)



Message

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**From:** Kevin Yu [kevin.yu93@gmail.com]  
**on behalf of** Kevin Yu <kevin.yu93@gmail.com> [kevin.yu93@gmail.com]  
**Sent:** 1/27/2021 11:50:35 PM  
**To:** Tony Diab [tony@coastprocessing.com]  
**Subject:** Re: Context surrounding disbarments

Hey Tony,

You free to catch up tomorrow?

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

On Tue, Jan 26, 2021 at 1:13 PM Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:  
Hey Tony,

As we've interfaced with you as part of negotiating this deal we do still want to run a background check.

We totally respect that you're limited on what you can share. We just want to full picture of the situation as we move forward rather than having an incomplete understanding of what happened.

Again, we really do enjoy working with you, and hope that you understand our need to have the full context here.

I'm pretty free this afternoon does 1 or 2 pst work for you?

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Message

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**From:** Kevin Yu [kevin.yu93@gmail.com]  
**on behalf of** Kevin Yu <kevin.yu93@gmail.com> [kevin.yu93@gmail.com]  
**Sent:** 1/26/2021 7:13:22 PM  
**To:** Tony Diab [tony@coastprocessing.com]  
**CC:** Brian [brian@freedomea.com]; Adam Blum [AdamBlum@aol.com]  
**Subject:** Re: Context surrounding disbarments

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San Clemente, CA 92673  
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Message

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**From:** Tony Diab [tony@coastprocessing.com]  
**on behalf of** Tony Diab <tony@coastprocessing.com> [tony@coastprocessing.com]  
**Sent:** 1/26/2021 4:52:45 AM  
**To:** Kevin Yu [kevin.yu93@gmail.com]  
**CC:** Brian [brian@freedomea.com]; Adam Blum [AdamBlum@aol.com]  
**Subject:** Re: Context surrounding disbarments

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Coast Processing  
1351 Calle Avanzado  
Suite 2  
San Clemente, CA 92673

EXHIBIT 506

OHPLPG00073042

949.229.6262, ext. 1013

[tony@coastprocessing.com](mailto:tony@coastprocessing.com)

Message

---

**From:** Tony Diab [tony@coastprocessing.com]  
**on behalf of** Tony Diab <tony@coastprocessing.com> [tony@coastprocessing.com]  
**Sent:** 1/23/2021 2:29:43 AM  
**To:** Kevin Yu [kevin.yu93@gmail.com]  
**CC:** Adam Blum [AdamBlum@aol.com]; Asante Bayrooti [asante@coastprocessing.com]; Brian Reale [brian@freedomea.com]  
**Subject:** Re: Coast-OHP Term Sheet  
**Attachments:** Signed Term Sheet.pdf

Hi Kevin -

My apologies, please see attached. This delay was my fault, Brian and Asante are on board and authorized the attached.

Thanks,  
Tony

On Tue, Jan 12, 2021 at 12:47 PM Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:  
Hi Tony,

Any updates on this?

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

On Fri, Jan 8, 2021 at 5:50 PM Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:  
Hi Tony,

See attached for revised term sheet and redline. Please let us know if this is agreeable and we can proceed with execution.

Thanks,

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

On Fri, Jan 8, 2021 at 1:49 PM Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:  
Apologies, forgot to pass this along yesterday. See attached for our proposed term sheet redlined to your last draft.

Thanks,

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

On Thu, Jan 7, 2021 at 3:49 PM Tony Diab <[tony@coastprocessing.com](mailto:tony@coastprocessing.com)> wrote:

Ok, thanks! Can we pencil in 1:30 pm Pacific tomorrow?

Thanks!

On Thu, Jan 7, 2021 at 1:48 PM Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:

Hi Tony,

We caught up with our counsel, are you free at or after 1 PM PST tomorrow (Friday) to talk with them?

We are generally okay with most of your changes, but given the carte blanche to operate outside of PurchaseCo, we felt the need to shore up the ROFR. I think it's probably more efficient to keep it small between the lawyers and focus on making sure the legal language is accomplishing our intentions. From an economic perspective, we don't believe we've altered anything and given all of our previous discussions we were cognizant to ensure that:

- 1) Everything has a cure period to prevent any "gotchas"
- 2) There is no scenario where OHP is entitled to anything beyond the return of our Funding Capital and 30% of remaining equity

Finishing up a few last edits and will circulate the revisions shortly.

Thanks,

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

On Thu, Dec 24, 2020 at 9:32 PM Tony Diab <[tony@coastprocessing.com](mailto:tony@coastprocessing.com)> wrote:

Revision per our conversation. Please let me know as soon as you speak with your team on the issue we identified, and then we can set up a call with the group. Asante and Brian would like to reach a resolution point as soon as possible.

Thanks!

On Thu, Dec 17, 2020 at 12:11 PM Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:

Sure. See attached.

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897



On Thu, Dec 17, 2020 at 1:43 PM Tony Diab <[tony@coastprocessing.com](mailto:tony@coastprocessing.com)> wrote:  
Hi Kevin -

Can you send as a word document, a few proposed revisions.

Thanks!

On Wed, Dec 16, 2020 at 1:54 PM Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:  
Hi all,

Happy to share with y'all the term sheet. I believe we've gone through almost every bit of this at least verbally so there shouldn't be any surprises. Please let us know if y'all have any questions, comments, or concerns.

Thanks,

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

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Coast Processing  
1351 Calle Avanzado  
Suite 2  
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949.229.6262, ext. 1013  
[tony@coastprocessing.com](mailto:tony@coastprocessing.com)

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Nonbinding Term Sheet

COAST PROCESSING  
INDICATIVE SUMMARY OF TERMS AND CONDITIONS

This Indicative Summary of Terms and Conditions is intended only as an outline of certain of the material terms of the proposed operating agreement (the "Operating Agreement") for PurchaseCo, a Delaware limited liability company to be jointly owned and managed by Old Hickory Partners – Coast, L.P. ("OHP") and B.A.T. Inc. dba Coast Processing and its principals Brian Reale, Asante Bayrooti and Mario Azevedo ("Coast," and together with OHP, the "PurchaseCo Parties") and does not purport to summarize all of the conditions, covenants, representations, warranties and other provisions that would be contained in definitive documentation for the structure of the Operating Agreement contemplated hereby.

**PURCHASECO  
ENTITY:**

The PurchaseCo Parties will establish PurchaseCo, a Delaware limited liability company to be jointly owned and managed by OHP and Coast for the exclusive purpose of purchasing all future cash flow streams from individual receivables (collectively, "Packages") sourced by Coast and its Affiliates, and to receive cash flows therefrom.

**OWNERSHIP:**

Each PurchaseCo Party's respective interest in PurchaseCo ("Ownership Interest") is as follows:

Coast – 70%  
OHP – 30%

**CAPITALIZATION:**

Prior to commencing operations at PurchaseCo, the PurchaseCo Parties will capitalize PurchaseCo with \$300,000.00 of equity, pro rata, according to the Ownership Interests (the "Equity Investment"):

Coast – \$210,000.00  
OHP – \$90,000.00

One time per month, PurchaseCo can issue an additional capital call request to OHP for the sole purpose of funding the purchase of Eligible Receivables (as hereinafter defined) that PurchaseCo's cash on hand cannot fund (the "Funding Capital"). The PurchaseCo Parties agree that OHP's Ownership Interest in PurchaseCo will not exceed 30%, except in certain circumstances to be described in the Operating Agreement, and is not adjusted by its contributions of Funding Capital.

OHP's Funding Capital is available over 5 years in the amount of \$10 million (the "Commitment"); provided that during the first 6 months starting from the Closing Date (as hereinafter defined), availability of Funding Capital shall be limited to \$5 million, and that the first advance of Funding Capital shall be limited to \$2 million. Any distributions of Funding Capital to OHP are subject to reinvestment by PurchaseCo to fund additional Eligible Receivables. The Commitment term and size can be increased at OHP's option.

PurchaseCo's ability to call Funding Capital shall be subject to certain restrictions set forth in the Operating Agreement, including the Cost Basis of Eligible Receivables measured as of the last day of the prior month (the "Funding Base"). The Funding Base as of any date of determination shall be an amount equal to 100% of the Cost Basis of Eligible Receivables. The "Cost Basis" of Eligible Receivables refers to the amount paid to Affiliates for a File (as hereinafter defined) or Packages. For the purposes of calculating the Funding Base, Eligible Receivables shall also include any Files or Packages contracted with Affiliates and approved for purchase by PurchaseCo in the current month. To the extent that the outstanding amount of the Funding Capital exceeds the Funding Base (a "Funding Base Deficiency"), PurchaseCo

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shall immediately pay OHP in an amount sufficient to eliminate the Funding Base Deficiency.

“Eligible Receivables” shall mean any payment stream from a File (or collectively, a Package for a given month) that satisfies either of the following conditions: (a) receives unanimous consent for purchase by all the PurchaseCo Parties, or (b) meets the following criteria: (1) such receivable has had at least its first payment made, and (2) such receivable has a purchase cost of less than the lesser of (i) 40% of the total expected cash flows to be collected over the term of the File or Package (prior to management fee or cancellations), or (ii) 7.5% of the total gross balance of debt enrolled per File or Package.

**CONDITIONS  
PRECEDENT:**

The creation of PurchaseCo will be subject to satisfaction of the conditions precedent deemed appropriate by OHP for the an alignment of interest between the PurchaseCo Parties, defined as the following:

Coast shall certify that Brian Reale, Asante Bayrooti and Mario Azevedo (the “Principals”) individually and their other Package-buying entities, including but not limited to ABR Enterprises, LLC, Freedom Enrollment, and any trusts or entities owned, managed by, or for the benefit of the Principals or their affiliates (the “Coast Entities”), shall not engage in the purchase of any new Packages that meet the criteria of an Eligible Receivable, unless OHP first declines to provide Funding Capital for the specific Package.

The execution of the Operating Agreement will also be subject to satisfaction of the conditions precedent deemed appropriate by OHP for transactions of this type generally and for this transaction in particular, including, but not limited to, the following:

- OHP shall have received from PurchaseCo all fees required to be paid and all expenses for which invoices have been presented.
- All governmental and third party approvals necessary in connection with the transaction(s) contemplated hereby and the continuing operations of PurchaseCo, Coast and its subsidiaries (including shareholder approvals, if any) shall have been obtained on satisfactory terms and shall be in full force and effect.
- OHP shall have received such closing documents as are customary for transactions of this type or as it may reasonably request, including but not limited to resolutions, good standing certificates, incumbency certificates, organizational documents, consents, and financing statements or similar filings, all in form and substance acceptable to OHP and its counsel.

The date on which the PurchaseCo Parties execute the Operating Agreement shall be referred to as the “Closing Date.”

**PURCHASECO  
OPERATIONS:**

PurchaseCo will purchase, from lead generating and marketing companies affiliated with Coast (“Affiliates”), cash flow streams that represent the Affiliate’s entire interest in customer payments for debt validation services (“Files”). All Files purchased within a calendar month will be collectively called a “Package.” Files will be funded from the following capital sources of PurchaseCo, in order of availability:

- 1) Available cash on hand at PurchaseCo (retaining a minimum Cash (as hereinafter defined) balance of \$25,000.00 at all times);
- 2) Funding Capital, up to the Commitment amount (one draw per month maximum); and

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3) Equity infusion from the PurchaseCo Parties in proportion to the Ownership Interests.

Coast will manage the day-to-day operations of PurchaseCo and will administer all Package collections and management of the Files, with the help of a fund administrator (to be hired by PurchaseCo if so requested by OHP). Collections and management will operate substantially similar to the collections and management of current Packages of Files sold to third parties and as detailed in that certain B.A.T. Inc. dba Coast Processing - Affiliate Agreement with ACB Holdings, LP, dated September 29, 2020 (Exhibit A), including, but not limited to, the monthly maintenance fee and refund clawback mechanics. At any time, OHP may request that PurchaseCo and Coast engage a backup servicer to onboard in preparation for one day taking over PurchaseCo's servicing and collections should, in OHP's determination, Coast not be able to fulfill such duties. The Principals will be the primary negotiators with each Affiliate for the terms of Package or File purchases on behalf of PurchaseCo, and Coast, as well as the Coast Entities, will act at all times with a fiduciary duty first and foremost to PurchaseCo. Any commission income due or received by any of Coast, the Principals, or its affiliates, related to the purchase of Files or Packages funded by PurchaseCo, shall be contributed to PurchaseCo and deemed income of PurchaseCo and not part of Coast's equity contributions to PurchaseCo. Should Coast or its affiliates ever create an Affiliate, Package- or File-buying entity or any other similar entity or joint venture (such business to be determined to be a similar business in OHP's reasonable discretion) that is owned or managed, directly or indirectly, by Coast or the Principals or affiliates, Coast will notify the PurchaseCo Parties in advance and will provide all reasonable disclosures as requested by the PurchaseCo Parties on a continuing and ongoing basis, including evidence that such business does not violate the terms of the Operating Agreement or any other contract among the PurchaseCo Parties and their assigns.

Each of OHP and Coast will appoint a manager to represent its interests at PurchaseCo. Authorization from both Managers representing the PurchaseCo Parties shall be required for certain business operations including, but not limited to, bank outflows (dual authorization required for any disbursements), debt drawdowns, debt prepayments, equity distributions, any raises of debt or equity or issuance/purchase of securities, annual budgeting, tax matters, any acquisition or sale of assets (except in the normal course), initiation or responses to any litigation, and other major activities deemed as such by OHP in its reasonable discretion (collectively "Major Decisions"). The PurchaseCo Parties hereby agree that the exclusive capital provider to PurchaseCo shall be OHP and its assigns, Coast, and the Principals.

**RIGHT OF FIRST  
REFUSAL:**

For so long as PurchaseCo has not been wound down, PurchaseCo will have a right of first offer for any and all Files or Packages related to a Coast customer, that of an Affiliate, an affiliate of Coast or a Principal of Coast. Should OHP decline to have PurchaseCo fund payments associated with a complete Package, then the Package may be offered to any other party, provided such offer be made on the same economic and qualitative terms (in OHP's reasonable discretion) as those offered to PurchaseCo. At no time shall Coast, an affiliate of Coast or a Principal of Coast present a File or a Package to any third-party prior to presentation to PurchaseCo and OHP and the rejection of such File or Package (subject to the immediately following sentence) by OHP. To the extent PurchaseCo is presented certain Files, but not a complete Package, any rejection of such Files by OHP shall not permit that such Files

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may be offered to any other party, until such time as OHP rejects the entire Package. Following a rejection of a Package, if any terms change for the acquisition of such Package, OHP (on PurchaseCo's behalf) must be presented with the revised terms for such Package with the opportunity to acquire such Package. The right of first offer set forth in this section shall continue regardless of default under the terms of the Operating Agreement or other definitive documents or of the number of times OHP has rejected Packages presented to PurchaseCo. In the event that OHP accepts a transaction, but PurchaseCo or Coast is in default of any agreement involving OHP, then OHP may, in its discretion, have such File or Package accounted for separately from all previously acquired Files or Packages or have such Files or Packages acquired by a different entity than PurchaseCo that may be owned and controlled by OHP.

**DISTRIBUTIONS:**

At such time as a distribution is made by PurchaseCo to the PurchaseCo Parties, the "waterfall" would work as follows:

1. First, to OHP until such time as OHP has received a return of all Funding Capital contributed to PurchaseCo;
2. Next, to OHP until such time as OHP has received a return of its Equity Investment in PurchaseCo;
3. Next, to Coast until Coast has received a return of all of its Equity Investment in PurchaseCo; and
4. Thereafter, to the PurchaseCo Parties pro rata according to Ownership Interests.

**CONDITIONS  
PRECEDENT TO EACH  
ADVANCE OF FUNDING  
CAPITAL:**

In advance of each monthly funding request, Coast agrees to furnish to OHP, with at least two weeks' notice, a report, in a form to be agreed upon by the PurchaseCo Parties, which includes but is not limited to historical and projected performance statistics of Files purchased, organized by Affiliate. Funding of each monthly Funding Capital advance request is subject to OHP's receipt of and approval of such report, such approval not to be unreasonably withheld. Any nonresponse within forty-eight (48) hours of such receipt is deemed to be an approval of such report.

The making of each monthly contribution of Funding Capital shall further be conditioned upon (a) the accuracy of certain material representations and warranties which the PurchaseCo Parties shall set forth in the Operating Agreement following a further meet and confer on the subject; (b) there being no breach of any covenants in the Operating Agreement nor any Events of Default (as further defined below) in existence at the time of, or after giving effect to, the making of, such contributions of Funding Capital; (c) there being no material adverse change in PurchaseCo's or Coast's business practices in existence at the time of, or after giving effect to the making of, such Funding Capital advance, except that Coast has sole discretion to control the manner in which its validation program is operated (the PurchaseCo Parties shall define the scope of a material adverse change in business practices in further detail as part of the Operating Agreement); and (d) after giving effect to the contribution of Funding Capital, the total outstanding balance of the Funding Capital to PurchaseCo shall not exceed the lesser of the Commitment or the Funding Base then in effect.

**FUNDING CAPITAL  
COVENANTS:**

The financial covenants under the Operating Agreement governing the Funding Capital shall be as follows:

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- PurchaseCo shall not permit the Cancellation Rate (as hereinafter defined) of any monthly Package, or across all owned Files, to be greater than 40%, tested at the end of each calendar month; and
- PurchaseCo's Cash balance shall at all times be at least \$25,000.00.

"Cancellation Rate" means, as of any date of determination thereof, an amount, expressed as a percentage, equal to (a) the total dollar amount of undiscounted expected future cash flows from Files cancelled, written off, or greater than 60 days overdue, divided by (b) the total dollar amount of undiscounted received and expected future cash flows from all Files.

"Cash" shall mean cash or cash equivalents of a person, (a) that are not, and are not required to be, designated as "restricted" on the financial statements of such person, (b) that are not contractually required, and have not been contractually committed by such person, to be used for a specific purpose, (c) that are not subject to (i) any provision of law, statute, rule or regulation, (ii) any provision of the organizational documents of such person, or (iii) any order of any governmental authority, (d) in which no person has a lien, and (e) that are held in a deposit account or securities account, as applicable, in which OHP has direct access.

A violation of either of these covenants shall entitle OHP to, in its sole discretion: (a) withhold future investment notwithstanding any representation to the contrary without waiving its ROFO/ROFR, (b) accelerate the repayment of Funding Capital to OHP pursuant to the Distributions section above, and (c) institute a "freeze" on the bank account(s) whereby no transaction may be made from the bank account(s) of PurchaseCo.

**REPRESENTATIONS  
AND WARRANTIES:**

The Operating Agreement shall contain representations and warranties customary for transactions of this type and other terms deemed appropriate by OHP, including with respect to licenses, permits and compliance with law.

**AFFIRMATIVE  
COVENANTS:**

The affirmative covenants applicable to PurchaseCo and its subsidiaries shall include, without limitation, the following: delivery to PurchaseCo Parties of monthly, quarterly and annual financial statements of Coast and PurchaseCo; annual audits with unqualified opinions of PurchaseCo and Coast; access to real-time performance of packages; delivery of monthly projections by Coast for OHP's expected advances of Funding Capital; payment of obligations; continuation of business and maintenance of existence and material rights and privileges; compliance with laws and material contractual obligations and obtainment and maintenance of any and all applicable licenses with proper authorities, if any, by both Coast and PurchaseCo; accuracy of information; maintenance of property and general liability insurance; maintenance of books and records; right of OHP to inspect property and books and records of Coast and PurchaseCo; notices of defaults and notice of formal service of lawsuits against PurchaseCo and Coast; continued unrestricted access provided to OHP of all PurchaseCo's bank accounts; use of proceeds of Funding Capital; and all or substantially all of professional time of Coast's senior management devoted to the management of the business of Coast and PurchaseCo.

**NEGATIVE  
COVENANTS:**

The negative covenants applicable to PurchaseCo and its subsidiaries shall include, without limitation, limitations on the following (subject to exceptions, as appropriate, to be negotiated and including the specific exceptions set forth herein):

- indebtedness (including guarantee obligations);

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- liens;
- fundamental changes (including mergers, consolidations, liquidations, dissolutions, and divisions; changes in fiscal year and changes in line of business; transfers of interests; issuances of securities);
- investments;
- dispositions of assets outside the normal course;
- payment of restricted payments (including dividends and other payments in respect of equity interests);
- negative pledge clauses on the PurchaseCo Parties; or
- amendment of material documents.

**EVENTS OF DEFAULT:**

Following an Event of Default (as hereinafter defined) and any reasonable cure periods (as further described and agreed upon in the Operating Agreement), the Commitment shall, at the sole discretion of OHP, be reduced to \$0.00, and OHP shall take sole control over PurchaseCo, any managers of PurchaseCo appointed by Coast will be removed as a manager, and OHP shall cause all assets of PurchaseCo, including existing cash and any cash from receivables owned by PurchaseCo, to be distributed directly to OHP until OHP's Funding Capital and Equity Investment are fully repaid. Following full repayment of OHP's Funding Capital and Equity Investment, PurchaseCo's operations and ownership shall revert as if such Event of Default had not occurred. An "Event of Default" includes, without limitation: nonpayment of fees or other amounts when due under any purchase agreement or the Operating Agreement; representations and warranties set forth in the Operating Agreement becoming incorrect in any material respect (the PurchaseCo Parties shall define the scope of relevant representations and warranties and materiality thresholds related thereto in further detail as part of the Operating Agreement), subject to reasonable cure periods; violation of covenants (subject, in the case of certain affirmative covenants, to a commercially reasonable cure period to be agreed upon); occurrence of a default (whether or not resulting in acceleration) under any agreement governing indebtedness, in excess of an amount to be agreed upon, of PurchaseCo; bankruptcy events of PurchaseCo; Coast or the Principals; conviction or guilty or nolo contendere pleas of a criminal offense or civil judgment in excess of \$50,000.00 of PurchaseCo, Coast or any of the Principals; and certain ERISA events.

**EXPENSES AND  
INDEMNIFICATION:**

PurchaseCo shall pay (a) all expenses of OHP associated with the preparation, execution, delivery and administration of the Operating Agreement, prior Package and File purchase agreements, and any amendment or waiver with respect thereto (including the reasonable fees, disbursements and other charges of counsel) whether or not the transaction closes, (b) all expenses of OHP (including the fees, disbursements and other charges of counsel) in connection with the enforcement of the Operating Agreement and all ongoing business expenses of OHP (including but not limited to administration, tax, legal and accounting), (c) fees and expenses associated with other advisors and professionals engaged by OHP in connection with the PurchaseCo Operating Agreement, and (d) other related expenses incurred by OHP during the due diligence process.

The Operating Agreement will contain standard indemnification and exculpation language related to the members of PurchaseCo.



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**GOVERNING LAW:**

This term sheet is, and the Operating Agreement will be, governed by the internal laws of the State of Delaware.

**WAIVER OF JURY TRIAL:**

In the Operating Agreement, each party will agree to a waiver of jury trial substantially similar in form and substance to the following:

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.


**VENUE:**

Wilmington, Delaware.

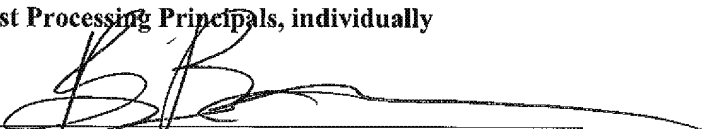
Nonbinding Term Sheet


Each of the parties hereby approves and adopts this Term Sheet as of January 21, 2020.

**B.A.T. Inc.**

By:   
Name: Asante Bayrooti  
Title: Chief Financial Officer

**Coast Processing Principals, individually**

By:   
Name: Brian Reale

By:   
Name: Asante Bayrooti

By: Mario Azevedo  
Name: Mario Azevedo

**Old Hickory Partners – Coast, LP**

By: Old Hickory GP, LLC,  
its general partner

By: \_\_\_\_\_  
Name: Adam C. Blum  
Title: Manager

Nonbinding Term Sheet

Exhibit A:

B.A.T. Inc. dba Coast Processing - Affiliate Agreement with ACB Holdings, LP, dated September 29, 2020

**B.A.T. Inc. dba Coast Processing - Affiliate Agreement**

THIS AGREEMENT (the "Agreement") is made and effective as of this 29<sup>th</sup> of September, 2020 by and between B.A.T. Inc. dba Coast Processing ("BAT"), and **ACB Holdings, LP** ("Purchaser"), and together with BAT's affiliated marketing team(s) (the "Affiliate").

**RECITALS:**

BAT is in the business of providing administrative support services for law firms providing a package debtor's rights services in the form of debt validation, consultation, and litigation defense through a duly licensed law firm The Litigation Practice Group PC ("LPG"). Among the services offered by BAT through LPG are the following:

- Removal of invalid debts through correspondence directly with the three credit bureaus;
- Validation of consumer debts through correspondence including disputes with original creditors, validation demands to third party debt collectors and assignees, and disputes with all three credit bureaus;
- Defense of collection actions initiated by original creditors or third party assignees;
- Negotiation of advantageous settlements of consumer debts both pre and post litigation;
- Protection from harassing collection practices, including but not limited to the initiation of actions under the Telephone Consumer Protection Act and Fair Debt Collection Practices Act; and
- Education of clients regarding federal laws applicable to consumer debt and credit reporting, and consultation regarding risk mitigation and litigation defense through its network of attorneys across the country.

Each of these services is offered without regard to the identity of the creditor or third-party debt collector or assignee. BAT reviews all client files prior to the execution of the client's legal services agreement with LPG, and maintains oversight through its administrative services over all file placements.

Affiliate owns and operates a system of generating leads consisting of consumers interested in the legal services offered by LPG through its agent, BAT. Affiliate, acting in accordance with direction from BAT, shall obtain the names of prospective consumers and will market in a lawful manner, complying with the restrictions of the jurisdiction in which the consumer resides. For consumers interested in utilizing BAT's services (a "Consumer"), Affiliate will assist BAT in having Consumers execute an approved legal services agreement with [LPG] to which BAT provides administrative support services. Following execution of an approved legal services agreement, Consumers will become clients of [LPG], and LPG will be exclusively responsible for and liable for the representation of consumers in the context of the provision of legal services.

Pursuant to a separate agreement, BAT has acquired from Affiliate all right, title and interest to the payments owing to Affiliate from the client files of the Consumers listed on Addendum A (the "Client Files"). Purchaser desires to purchase from BAT, and BAT desires to sell to Purchaser, the Consumer payments associated with the Client Files. The parties hereto desire to enter into this Agreement to provide for the acquisition of the all right, title and interest to the payments owing to Affiliate (the "Payments") resulting from the Consumers under the Client Files.

BAT, Purchaser and Affiliate hereby agree to the following:

1. Subject to the terms of this Agreement, each Party shall be solely responsible for bearing its own costs and expenses incurred in performing its responsibilities under this Agreement, including all tariffs, filings, licensing and/or other fees.

2. Affiliate shall comply with state and federal laws in performing (a) its operations associated with the transactions contemplated herein and (b) its obligations under this agreement and any other agreement associated herewith, including communicating with Consumers regarding BAT or any of its programs.

3. BAT shall comply with state and federal laws in performing (a) its operations associated with the transactions contemplated herein, (b) its obligations under this Agreement, and (c) the legal services agreement entered into between BAT and the Consumers referred by Affiliate.

4. If requested by BAT, Affiliate shall provide a copy of all marketing materials to BAT upon receiving a request from BAT. Affiliate shall endeavor to provide such materials within 10 business days of such request, but may provide such materials in any time frame that is commercially reasonable.

5. Affiliate agrees to keep any and all documents or communications between itself and BAT/Purchaser confidential pursuant to the provisions set forth below.

6. Acquisition.

- a. BAT hereby grants, assigns, sells, conveys, transfers and delivers to Purchaser and Purchaser hereby accepts, assumes and receives from BAT, all of BAT's right, title and interest to the Payments (which represents 65% of the payments received by BAT for the Client Files) in exchange for PURCHASER remitting to BAT a fee of \$437,750.00 (the "Purchase Price").
- b. Following the execution of this Agreement and the payment of the Purchase Price, BAT shall pay 65% of the difference resulting from (1) each Payment per Client File for each Consumer listed on Addendum A to this Agreement, which represents all of Affiliate's right, title and interest to the Payments, less (2) the monthly maintenance fee of \$91.38, which BAT shall retain to cover administrative costs for each Client File. BAT acknowledges Affiliate has placed the Consumers with BAT. Payment of 65% of each Client File shall be made by BAT direct to PURCHASER, and no portion of the per Client File payment shall be made to Affiliate, upon receipt of such funds by BAT.
- c. If BAT is required to refund payment for services to any Consumer, then Purchaser shall be responsible for returning the entirety of its fees collected on such Client File to BAT (in such percentage as is set forth herein). BAT has exclusive discretion to grant or deny a requested refund or cancellation, subject to the terms of this Agreement. BAT shall be entitled to offset any future payments to Purchaser in order to recover a refund awarded by BAT.

- d. The amounts paid from the Consumers for each Client File shall be receivables of PURCHASER, and Purchaser shall have an undivided interest in the whole of any receivable from BAT, such that it shall have a legal claim to such receivable.

7. Each of BAT, Affiliate and Purchaser have all requisite power and authority to execute and deliver this Agreement and the other documents contemplated hereby (the "Transaction Documents") to which it is a party, to consummate the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party. All requisite actions on the part of BAT, Affiliate and Purchaser and their officers, managers and members necessary for the authorization, execution and delivery of this Agreement and the other Transaction Documents to which they are a party, and the performance of all obligations of such party hereunder and thereunder, has been taken. This Agreement and the other Transaction Documents to which each of BAT and Affiliate is a party have been duly and validly executed and delivered and constitute, assuming this Agreement and the other Transaction Documents to BAT and Affiliate are a party have been duly authorized, executed and delivered by the other parties thereto, valid and legally binding obligations of each of BAT and Affiliate, enforceable against each of them in accordance with their respective terms, subject to applicable bankruptcy or other similar Laws affecting the rights and remedies of creditors generally as well as to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). BAT represents and warrants to Purchaser that BAT has good and marketable title to, all Client Files and Affiliate has no right to receive any payment with respect to such Client Files. Each Consumer represented by the Client Files has made at least one of their required payments to BAT.

8. Each of BAT and Affiliate are in compliance in all material respects with all any federal, state, local or foreign law (including common law), statute, code, ordinance, rule, regulation or other requirement ("Law") applicable to its business or operations. Neither of BAT or Affiliate have received any written or other notice or been charged with the violation of any Laws. To the knowledge of BAT and Affiliate, neither is under investigation with respect to the violation of any Laws and, to the knowledge of BAT and Affiliate, there are no facts or circumstances which could form the basis for any such violation. BAT and Affiliate currently have all material approvals, authorizations, consents, licenses, permits or certificates which are required for the operation of the business as presently conducted ("Permits"). Neither BAT and Affiliate (i) are in default or violation (and no event has occurred which, with notice or lapse of time or both, would constitute a default or violation) of any term, condition or provision of the certificate of organization of the relevant party, and (ii) are in default or violation (and no event has occurred which, with notice or the lapse of time or both, would constitute a default or violation) in any material respect of any term, condition or provision of any Permit, to which the business is subject or by which its properties or assets are bound, and to the knowledge of the BAT and Affiliate, there are no facts or circumstances which could form the basis for any such default or violation.

9. No fee (other than the amount set forth Paragraph 6) shall be due from PURCHASER to either Affiliate or BAT, except the refund deduction set forth in Paragraph 10. PURCHASER shall be entitled to all payments due to Affiliate from the Client Files as described under Paragraph 6, without limitation. Neither BAT nor Affiliate may modify this Agreement without the express written consent of PURCHASER, which consent may be withheld for any reason without limitation.

10. BAT shall bear all expenses related to the services it offers to Consumers, and Affiliate shall bear all expenses related to its marketing of the same except as is set forth in this Paragraph. No expense shall be borne by PURCHASER. BAT reserves all rights with regard to rejection or cancellation of a Consumer, but will do so only in accordance with the recommendation of the law firm utilized in providing such service, subject to the applicable state bar rules for such representation and the consent of Purchaser. PURCHASER shall be responsible for its pro rata share of refunds issued to a client as the result of a cancellation, which refund shall be borne in proportion to PURCHASER's share of fees as set forth in Paragraph 6. Notwithstanding anything to the contrary in this Agreement, such refund shall be deducted from future remittance by PURCHASER, except that if all payments to PURCHASER have been complete, any refund issued by BAT to client shall be borne exclusively by BAT. To the extent a refund or cancellation is granted to a Consumer due to a breach of a representation, warranty or covenant set forth in this Agreement, the Purchase Price shall be reduced by the amount of the Purchase Price attributable to the refunded or cancelled Client File, as calculated by taking the total value of the relevant Client File divided by the aggregate value of all Client Files and multiplying such number by the Purchase Price.

11. BAT and Affiliate shall indemnify, defend and hold harmless the Purchaser and its successors and assigns, heirs, beneficiaries, legal and other representatives and affiliates, and each of their respective partners, members, shareholders, managers, directors, officers, employees and agents (collectively, the "Purchaser Group") from and against all claims, actions or causes of action, assessments, demands, losses, damages, judgments, fines, settlements, liabilities, costs and expenses, including interest, penalties and reasonable attorneys', experts' and accounting fees and expenses of any nature whatsoever (collectively, "Damages"), asserted against, suffered by, imposed upon or incurred by any member of the Purchaser Group to the extent caused by (a) BAT's, Affiliate's or LPG's actions or omissions in their business operations, or (b) a breach of any covenant, agreement, representation or warranty of BAT and Affiliate contained in this Agreement. The indemnity provided for in this Section 11 is not limited to third party claims against members of the Purchaser Group. This Section 11 shall survive the termination of this Agreement.

12. Notwithstanding anything to the contrary in this Agreement, prior to March 31, 2020, BAT shall not, and shall not allow any of its affiliates to, offer any client files or similar revenue generating opportunities to any other Person (as defined under applicable law) other than to Purchaser, except for any existing relationship for the acquisition of customer files; *provided, however*, if Purchaser elects to not participate in such opportunity or fails to respond to BAT or its applicable affiliate within ten (10) business days, BAT or its applicable affiliate will be permitted to enter into a transaction with a third-party purchaser. Any notice of a prospective business opportunity shall be delivered in writing by e-mail (read receipt requested) to [adamblum@aol.com](mailto:adamblum@aol.com) and [kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com).

13. This Agreement shall continue in full force and effect until the conclusion of the payment term of the clients set forth in attached addenda. Those respective client lists are attached hereto as Addendum A, Addendum B, and Addendum C, and each represents a separate batch of clients delivered from separate marketing affiliates. The anticipated return on this investment is 22% to 27%, but no return is guaranteed. The anticipated return is based on the prior performance of other clients, but the performance of the clients contained in the packages attached as Addendum A, Addendum B, and



Addendum C is unknown, and no representation is made as to the likely performance of such clients. The parties agree that the use of the phrase "payment term" shall mean the total of all payments due from any client listed in Addendum A to BAT or Affiliate without limitation, and without regard to whether a modification of the agreement between such client and BAT shall have taken place. Upon the conclusion of all payments from all clients listed in Addendum A to BAT, and BAT's payment in turn to PURCHASER, this Agreement shall cease except that any term contemplated to extend beyond the completion of such term shall remain in full force and effect.

14. Upon termination of this Agreement for any reason whatsoever, BAT, Purchaser and Affiliate will refrain, and will instruct their affiliates, officers, directors, employees, contractors and agents to refrain, from making any disparaging or negative comment, remark, statement, or implication, whether written or oral, about any party to this Agreement.

15. The confidential information of BAT, Purchaser or Affiliate shall include information regarding contracts, customer or client lists or information, employees, directors, officers, investors, hardware, software, screens, specifications, designs, plans, drawings, data, prototypes, discoveries, research, developments, methods, processes, procedures, improvements, 'Know-how', compilations, market research, marketing techniques and plans, marketing materials, business plans and strategies, documents, this Agreement, scripts, guidelines, price lists, pricing policies and financial information or other business and/or technical information and materials, in oral, demonstrative, written, graphic or machine-readable form, which is unpublished, not available to the general public or trade, and which is maintained as confidential and proprietary information by the disclosing party for regulatory, customer relations, and/or competitive reasons. None of BAT, Purchaser or Affiliate may disclose the confidential information of the other, the name of the other, or the existence of this Agreement without the express written consent of the applicable party. The disclosure of information in connection with a judicial or administrative proceeding shall not constitute a violation of this term. The parties hereto agree to notify the other if any inadvertent disclosure of information occurs within 48 hours of becoming aware of such disclosure, to the extent legally and practically permissible. The parties hereto agree to work together in good faith to remediate any disclosure of confidential information. A party whose confidential information is disclosed shall be entitled to injunctive relief in any court of competent jurisdiction.

16. Nothing in this Agreement nor in the eventual legal services agreement shall restrict Affiliate from offering any other service of any kind to Consumer, including credit repair or debt relief programs. The Affiliate is not restricted from marketing on behalf of debt settlement, debt consolidation, credit repair, or debt relief entities, including but not limited to other law firms. BAT and Affiliate hereby agree that any and all prior agreements entered into by BAT and Affiliate or any law firm to which BAT provides administrative support services and Affiliate are null and void and unenforceable, and this Agreement shall become the operative agreement for all files previously placed through the use of BAT's administrative support services.

17. This Agreement shall be governed by the laws of the State of California, and the Courts of the State of California, County of Orange, shall have exclusive subject matter jurisdiction over this Agreement. All parties hereto to this Agreement consent to the personal jurisdiction of the Superior Court of California, County of Orange, over such party.

18. Affiliate agrees not to use the name BAT in any advertising, publicity release, or sales presentation designed to promote Affiliate's service, unless BAT provides prior written consent to such specific use.

19. Any fees incurred by BAT in connection with a Consumer's Non-Sufficient Funds ("NSF") fee shall be borne mutually by both BAT and Purchaser if and only if the Consumer cancels the program after such NSF. To the extent the Consumer cancels the program after such NSF, Purchaser shall bear that portion of the NSF fee commensurate with its share of the per file fee set forth in Paragraph 6, above. This amount shall be deducted from the fees remitted to Purchaser in the month in which the client having an outstanding NSF charge cancels the program without remitting such NSF fee.

20. This Agreement may be assigned or transferred without the prior written consent of the other by PURCHASER. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns.

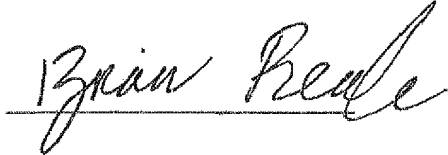
21. In the event of a breach, the party who prevails in any court proceeding shall be entitled to reasonable attorneys' fees and collection costs, including all fees and costs on appeal.

22. This Agreement contains the entire Agreement between the Parties hereto, and shall not be modified, amended or supplemented, or any rights therein waived, unless specifically agreed upon in writing by BAT, Purchaser and Affiliate.

[signature page follows on the next page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by  
their duly authorized officers, all as of the day and year first above written.

B.A.T. Inc.

A handwritten signature in cursive script, reading "Brian Reale", written over a horizontal line.

By: Brian Reale

Title: Chief Executive Officer

ACB Holdings, LP

By:

A handwritten signature in cursive script, reading "Adam C. Blum", written over a horizontal line.

Name: Adam C. Blum

Title: Manager

**Electronic Funds Transfer Authorization**

This Electronic Funds Transfer (EFT) authorization is for use in connection with the foregoing Agreement, and permits BAT to transfer any and all amounts due to ("PURCHASER") under the foregoing Agreement by EFT. By signing below, PURCHASER hereby authorizes BAT to initiate EFT transfers at its discretion, with all fees and costs incurred by PURCHASER in connection with such transfer to be borne by PURCHASER, while all fees and costs incurred by BAT in connection with such transfer to be borne by BAT.

Account Holder Signature:  Date: 01-OCT-2020



By: ADAM BLUM  
VICE PRESIDENT OF ACB HOLDINGS  
MANAGEMENT, LLC, ITS GENERAL  
Title: PARTNER

Account Owner Name: ACB HOLDINGS LP

Social Security Number / FEIN Number associated with account listed below:



Address: 777 MAIN ST STE 550  
FORT WORTH, TX 76102  
City: State: Zip: Tel: 817-710-7073

Bank Name: BANK OF TEXAS  
Routing Number:   
Account Number:   
Account type : CHECKING

## **ADDENDUM A**

Total Debt	\$ 702,085.02
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## **ADDENDUM B**



[illegible]

Total Debt	\$ 2,974,910.49
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## **ADDENDUM C**

[illegible]

**Total Debt \$ 1,089,205.99**

Message

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**From:** Kevin Yu [kevin.yu93@gmail.com]  
**on behalf of** Kevin Yu <kevin.yu93@gmail.com> [kevin.yu93@gmail.com]  
**Sent:** 1/12/2021 8:47:40 PM  
**To:** Tony Diab [tony@coastprocessing.com]; Adam Blum [AdamBlum@aol.com]  
**Subject:** Re: Coast-OHP Term Sheet

Hi Tony,

Any updates on this?

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

On Fri, Jan 8, 2021 at 5:50 PM Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:  
Hi Tony,

See attached for revised term sheet and redline. Please let us know if this is agreeable and we can proceed with execution.

Thanks,

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

On Fri, Jan 8, 2021 at 1:49 PM Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:  
Apologies, forgot to pass this along yesterday. See attached for our proposed term sheet redlined to your last draft.

Thanks,

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

On Thu, Jan 7, 2021 at 3:49 PM Tony Diab <[tony@coastprocessing.com](mailto:tony@coastprocessing.com)> wrote:  
Ok, thanks! Can we pencil in 1:30 pm Pacific tomorrow?

Thanks!

On Thu, Jan 7, 2021 at 1:48 PM Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:

Hi Tony,

We caught up with our counsel, are you free at or after 1 PM PST tomorrow (Friday) to talk with them?

We are generally okay with most of your changes, but given the carte blanche to operate outside of PurchaseCo, we felt the need to shore up the ROFR. I think it's probably more efficient to keep it small between the lawyers and focus on making sure the legal language is accomplishing our intentions. From an economic perspective, we don't believe we've altered anything and given all of our previous discussions we were cognizant to ensure that:

- 1) Everything has a cure period to prevent any "gotchas"
- 2) There is no scenario where OHP is entitled to anything beyond the return of our Funding Capital and 30% of remaining equity

Finishing up a few last edits and will circulate the revisions shortly.

Thanks,

Kevin Yu  
[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)  
(512) 888-8897

On Thu, Dec 24, 2020 at 9:32 PM Tony Diab <[tony@coastprocessing.com](mailto:tony@coastprocessing.com)> wrote:

Revision per our conversation. Please let me know as soon as you speak with your team on the issue we identified, and then we can set up a call with the group. Asante and Brian would like to reach a resolution point as soon as possible.

Thanks!

On Thu, Dec 17, 2020 at 12:11 PM Kevin Yu <[kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com)> wrote:  
Sure. See attached.

Kevin Yu  
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(512) 888-8897

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Coast Processing  
1351 Calle Avanzado  
Suite 2  
San Clemente, CA 92673  
949.229.6262, ext. 1013  
[tony@coastprocessing.com](mailto:tony@coastprocessing.com)

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Message

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**From:** Kevin Yu [kevin.yu93@gmail.com]  
**on behalf of** Kevin Yu <kevin.yu93@gmail.com> [kevin.yu93@gmail.com]  
**Sent:** 1/8/2021 11:50:30 PM  
**To:** Tony Diab [tony@coastprocessing.com]; Adam Blum [AdamBlum@aol.com]  
**Subject:** Re: Coast-OHP Term Sheet  
**Attachments:** Redline - Old Hickory - Coast Processing -Term sheet (1).pdf; Old Hickory - Coast Processing -Term sheet 4811-7258-7475 6.pdf

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[tony@coastprocessing.com](mailto:tony@coastprocessing.com)

Nonbinding Term Sheet

COAST PROCESSING  
INDICATIVE SUMMARY OF TERMS AND CONDITIONS

This Indicative Summary of Terms and Conditions is intended only as an outline of certain of the material terms of the proposed operating agreement (the “Operating Agreement”) for PurchaseCo, a Delaware limited liability company to be jointly owned and managed by Old Hickory Partners – Coast, L.P. (“OHP”) and B.A.T. Inc. dba Coast Processing and its principals Brian Reale, Asante Bayrooti and Mario Azevedo (“Coast,” and together with OHP, the “PurchaseCo Parties”) and does not purport to summarize all of the conditions, covenants, representations, warranties and other provisions that would be contained in definitive documentation for the structure of the Operating Agreement contemplated hereby.

**PURCHASECO  
ENTITY:**

The PurchaseCo Parties will establish PurchaseCo, a Delaware limited liability company to be jointly owned and managed by OHP and Coast for the exclusive purpose of purchasing all future cash flow streams from individual receivables (collectively, “Packages”) sourced by Coast and its Affiliates, and to receive cash flows therefrom.

**OWNERSHIP:**

Each PurchaseCo Party’s respective interest in PurchaseCo (“Ownership Interest”) is as follows:

Coast – 70%  
OHP – 30%

**CAPITALIZATION:**

Prior to commencing operations at PurchaseCo, the PurchaseCo Parties will capitalize PurchaseCo with \$300,000.00 of equity, pro rata, according to the Ownership Interests (the “Equity Investment”):

Coast – \$210,000.00  
OHP – \$90,000.00

One time per month, PurchaseCo can issue an additional capital call request to OHP for the sole purpose of funding the purchase of Eligible Receivables (as hereinafter defined) that PurchaseCo’s cash on hand cannot fund (the “Funding Capital”). The PurchaseCo Parties agree that OHP’s Ownership Interest in PurchaseCo will not exceed 30%, except in certain circumstances to be described in the Operating Agreement, and is not adjusted by its contributions of Funding Capital.

OHP’s Funding Capital is available over 5 years in the amount of \$10 million (the “Commitment”); provided that during the first 6 months starting from the Closing Date (as hereinafter defined), availability of Funding Capital shall be limited to \$5 million, and that the first advance of Funding Capital shall be limited to \$2 million. Any distributions of Funding Capital to OHP are subject to reinvestment by PurchaseCo to fund additional Eligible Receivables. The Commitment term and size can be increased at OHP’s option.

PurchaseCo’s ability to call Funding Capital shall be subject to certain restrictions set forth in the Operating Agreement, including the Cost Basis of Eligible Receivables measured as of the last day of the prior month (the “Funding Base”). The Funding Base as of any date of determination shall be an amount equal to 100% of the Cost Basis of Eligible Receivables. The “Cost Basis” of Eligible Receivables refers to the amount paid to Affiliates for a File (as hereinafter defined) or Packages. For the purposes of calculating the Funding Base, Eligible Receivables shall also include any Files or Packages contracted with Affiliates and approved for purchase by PurchaseCo in the current month. To the extent that the outstanding amount of the Funding Capital exceeds the Funding Base (a “Funding Base”

Deficiency”), PurchaseCo shall immediately pay OHP in an amount sufficient to eliminate the Funding Base Deficiency.

“Eligible Receivables” shall mean any payment stream from a File (or collectively, a Package for a given month) that satisfies either of the following conditions: (a) receives unanimous consent for purchase by all the PurchaseCo Parties, or (b) meets the following criteria: (1) such receivable has had at least its first payment made, and (2) such receivable has a purchase cost of less than the lesser of (i) 40% of the total expected cash flows to be collected over the term of the File or Package (prior to management fee or cancellations), or (ii) 7.5% of the total gross balance of debt enrolled per File or Package.

**CONDITIONS  
PRECEDENT:**

The creation of PurchaseCo will be subject to satisfaction of the conditions precedent deemed appropriate by OHP for the an alignment of interest between the PurchaseCo Parties, defined as the following:

Coast shall certify that Brian Reale, Asante Bayrooti and Mario Azevedo (the “Principals”) individually and their other Package-buying entities, including but not limited to ABR Enterprises, LLC, Freedom Enrollment, and any trusts or entities owned, managed by, or for the benefit of the Principals or their affiliates (the “Coast Entities”), shall not engage in the purchase of any new Packages that meet the criteria of an Eligible Receivable, unless OHP first declines to provide Funding Capital for the specific Package.

The execution of the Operating Agreement will also be subject to satisfaction of the conditions precedent deemed appropriate by OHP for transactions of this type generally and for this transaction in particular, including, but not limited to, the following:

- OHP shall have received from PurchaseCo all fees required to be paid and all expenses for which invoices have been presented.
- All governmental and third party approvals necessary in connection with the transaction(s) contemplated hereby and the continuing operations of PurchaseCo, Coast and its subsidiaries (including shareholder approvals, if any) shall have been obtained on satisfactory terms and shall be in full force and effect.
- OHP shall have received such closing documents as are customary for transactions of this type or as it may reasonably request, including but not limited to resolutions, good standing certificates, incumbency certificates, organizational documents, consents, and financing statements or similar filings, all in form and substance acceptable to OHP and its counsel.

The date on which the PurchaseCo Parties execute the Operating Agreement shall be referred to as the “Closing Date.”

**PURCHASECO  
OPERATIONS:**

PurchaseCo will purchase, from lead generating and marketing companies affiliated with Coast (“Affiliates”), cash flow streams that represent the Affiliate’s entire interest in customer payments for debt validation services (“Files”). All Files purchased within a calendar month will be collectively called a “Package.” Files will be funded from the following capital sources of PurchaseCo, in order of availability:

- 1) Available cash on hand at PurchaseCo (retaining a minimum Cash (as hereinafter defined) balance of \$25,000.00 at all times);
- 2) Funding Capital, up to the Commitment amount (one draw per month maximum); and

3) Equity infusion from the PurchaseCo Parties in proportion to the Ownership Interests.

Coast will manage the day-to-day operations of PurchaseCo and will administer all Package collections and management of the Files, with the help of a fund administrator (to be hired by PurchaseCo if so requested by OHP). Collections and management will operate substantially similar to the collections and management of current Packages of Files sold to third parties and as detailed in that certain B.A.T. Inc. dba Coast Processing - Affiliate Agreement with ACB Holdings, LP, dated September 29, 2020 (Exhibit A), including, but not limited to, the monthly maintenance fee and refund clawback mechanics. At any time, OHP may request that PurchaseCo and Coast engage a backup servicer to onboard in preparation for one day taking over PurchaseCo's servicing and collections should, in OHP's determination, Coast not be able to fulfill such duties. The Principals will be the primary negotiators with each Affiliate for the terms of Package or File purchases on behalf of PurchaseCo, and Coast, as well as the Coast Entities, will act at all times with a fiduciary duty first and foremost to PurchaseCo. Any commission income due or received by any of Coast, the Principals, or its affiliates, related to the purchase of Files or Packages funded by PurchaseCo, shall be contributed to PurchaseCo and deemed income of PurchaseCo and not part of Coast's equity contributions to PurchaseCo. Should Coast or its affiliates ever create an Affiliate, Package- or File-buying entity or any other similar entity or joint venture (such business to be determined to be a similar business in OHP's reasonable discretion) that is owned or managed, directly or indirectly, by Coast or the Principals or affiliates, Coast will notify the PurchaseCo Parties in advance and will provide all reasonable disclosures as requested by the PurchaseCo Parties on a continuing and ongoing basis, including evidence that such business does not violate the terms of the Operating Agreement or any other contract among the PurchaseCo Parties and their assigns.

Each of OHP and Coast will appoint a manager to represent its interests at PurchaseCo. Authorization from both Managers representing the PurchaseCo Parties shall be required for certain business operations including, but not limited to, bank outflows (dual authorization required for any disbursements), debt drawdowns, debt prepayments, equity distributions, any raises of debt or equity or issuance/purchase of securities, annual budgeting, tax matters, any acquisition or sale of assets (except in the normal course), initiation or responses to any litigation, and other major activities deemed as such by OHP in its reasonable discretion (collectively "Major Decisions"). The PurchaseCo Parties hereby agree that the exclusive capital provider to PurchaseCo shall be OHP and its assigns, Coast, and the Principals.

**RIGHT OF FIRST  
REFUSAL:**

For so long as PurchaseCo has not been wound down, PurchaseCo will have a right of first offer for any and all Files or Packages related to a Coast customer, that of an Affiliate, an affiliate of Coast or a Principal of Coast. Should OHP decline to have PurchaseCo fund payments associated with a complete Package, then the Package may be offered to any other party, provided such offer be made on the same economic and qualitative terms (in OHP's reasonable discretion) as those offered to PurchaseCo. At no time shall Coast, an affiliate of Coast or a Principal of Coast present a File or a Package to any third-party prior to presentation to PurchaseCo and OHP and the rejection of such File or Package (subject to the immediately following sentence) by OHP. To the extent PurchaseCo is presented certain Files, but

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not a complete Package, any rejection of such Files by OHP shall not permit that such Files may be offered to any other party, until such time as OHP rejects the entire Package. Following a rejection of a Package, if any terms change for the acquisition of such Package, OHP (on PurchaseCo's behalf) must be presented with the revised terms for such Package with the opportunity to acquire such Package. The right of first offer set forth in this section shall continue regardless of default under the terms of the Operating Agreement or other definitive documents or of the number of times OHP has rejected Packages presented to PurchaseCo. In the event that OHP accepts a transaction, but PurchaseCo or Coast is in default of any agreement involving OHP, then OHP may, in its discretion, have such File or Package accounted for separately from all previously acquired Files or Packages or have such Files or Packages acquired by a different entity than PurchaseCo that may be owned and controlled by OHP.

**DISTRIBUTIONS:**

At such time as a distribution is made by PurchaseCo to the PurchaseCo Parties, the "waterfall" would work as follows:

1. First, to OHP until such time as OHP has received a return of all Funding Capital contributed to PurchaseCo;
2. Next, to OHP until such time as OHP has received a return of its Equity Investment in PurchaseCo;
3. Next, to Coast until Coast has received a return of all of its Equity Investment in PurchaseCo; and
4. Thereafter, to the PurchaseCo Parties pro rata according to Ownership Interests.

**CONDITIONS  
PRECEDENT TO EACH  
ADVANCE OF FUNDING  
CAPITAL:**

In advance of each monthly funding request, Coast agrees to furnish to OHP, with at least two weeks' notice, a report, in a form to be agreed upon by the PurchaseCo Parties, which includes but is not limited to historical and projected performance statistics of Files purchased, organized by Affiliate. Funding of each monthly Funding Capital advance request is subject to OHP's receipt of and approval of such report, such approval not to be unreasonably withheld. Any nonresponse within forty-eight (48) hours of such receipt is deemed to be an approval of such report.

The making of each monthly contribution of Funding Capital shall further be conditioned upon (a) the accuracy of certain material representations and warranties which the PurchaseCo Parties shall set forth in the Operating Agreement following a further meet and confer on the subject; (b) there being no breach of any covenants in the Operating Agreement nor any Events of Default (as further defined below) in existence at the time of, or after giving effect to, the making of, such contributions of Funding Capital; (c) there being no material adverse change in PurchaseCo's or Coast's business practices in existence at the time of, or after giving effect to the making of, such Funding Capital advance, except that Coast has sole discretion to control the manner in which its validation program is operated (the PurchaseCo Parties shall define the scope of a material adverse change in business practices in further detail as part of the Operating Agreement); and (d) after giving effect to the contribution of Funding Capital, the total outstanding balance of the Funding Capital to PurchaseCo shall not exceed the lesser of the Commitment or the Funding Base then in effect.

**FUNDING CAPITAL  
COVENANTS:**

The financial covenants under the Operating Agreement governing the Funding Capital shall be as follows:

- PurchaseCo shall not permit the Cancellation Rate (as hereinafter defined)



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of any monthly Package, or across all owned Files, to be greater than 40%, tested at the end of each calendar month; and

- PurchaseCo's Cash balance shall at all times be at least \$25,000.00.

"Cancellation Rate" means, as of any date of determination thereof, an amount, expressed as a percentage, equal to (a) the total dollar amount of undiscounted expected future cash flows from Files cancelled, written off, or greater than 60 days overdue, divided by (b) the total dollar amount of undiscounted received and expected future cash flows from all Files.

"Cash" shall mean cash or cash equivalents of a person, (a) that are not, and are not required to be, designated as "restricted" on the financial statements of such person, (b) that are not contractually required, and have not been contractually committed by such person, to be used for a specific purpose, (c) that are not subject to (i) any provision of law, statute, rule or regulation, (ii) any provision of the organizational documents of such person, or (iii) any order of any governmental authority, (d) in which no person has a lien, and (e) that are held in a deposit account or securities account, as applicable, in which OHP has direct access.

A violation of either of these covenants shall entitle OHP to, in its sole discretion: (a) withhold future investment notwithstanding any representation to the contrary without waiving its ROFO/ROFR, (b) accelerate the repayment of Funding Capital to OHP pursuant to the Distributions section above, and (c) ~~gain sole authority over any~~ institute a "freeze" on the bank account(s) whereby no transaction may be made from the bank account(s) of PurchaseCo.

**REPRESENTATIONS  
AND WARRANTIES:**

The Operating Agreement shall contain representations and warranties customary for transactions of this type and other terms deemed appropriate by OHP, including with respect to licenses, permits and compliance with law.

**AFFIRMATIVE  
COVENANTS:**

The affirmative covenants applicable to PurchaseCo and its subsidiaries shall include, without limitation, the following: delivery to PurchaseCo Parties of monthly, quarterly and annual financial statements of Coast and PurchaseCo; annual audits with unqualified opinions of PurchaseCo and Coast; access to real-time performance of packages; delivery of monthly projections by Coast for OHP's expected advances of Funding Capital; payment of obligations; continuation of business and maintenance of existence and material rights and privileges; compliance with laws and material contractual obligations and obtainment and maintenance of any and all applicable licenses with proper authorities, if any, by both Coast and PurchaseCo; accuracy of information; maintenance of property and general liability insurance; maintenance of books and records; right of OHP to inspect property and books and records of Coast and PurchaseCo; notices of defaults and notice of formal service of lawsuits against PurchaseCo and Coast; continued unrestricted access provided to OHP of all PurchaseCo's bank accounts; use of proceeds of Funding Capital; and all or substantially all of professional time of Coast's senior management devoted to the management of the business of Coast and PurchaseCo.

**NEGATIVE  
COVENANTS:**

The negative covenants applicable to PurchaseCo and its subsidiaries shall include, without limitation, limitations on the following (subject to exceptions, as appropriate, to be negotiated and including the specific exceptions set forth herein):

- indebtedness (including guarantee obligations);



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- liens;
- fundamental changes (including mergers, consolidations, liquidations, dissolutions, and divisions; changes in fiscal year and changes in line of business; transfers of interests; issuances of securities);
- investments;
- dispositions of assets outside the normal course;
- payment of restricted payments (including dividends and other payments in respect of equity interests);
- negative pledge clauses on the PurchaseCo Parties; or
- amendment of material documents.

**EVENTS OF DEFAULT:**

Following an Event of Default (as hereinafter defined) and any reasonable cure periods (as further described and agreed upon in the Operating Agreement), the Commitment shall, at the sole discretion of OHP, be reduced to \$0.00, and OHP shall take sole control over PurchaseCo, any managers of PurchaseCo appointed by Coast will be removed as a manager, and OHP shall cause all assets of PurchaseCo, including existing cash and any cash from receivables owned by PurchaseCo, to be distributed directly to OHP until OHP's Funding Capital and Equity Investment are fully repaid. Following full repayment of OHP's Funding Capital and Equity Investment, PurchaseCo's operations and ownership shall revert as if such Event of Default had not occurred. An "Event of Default" includes, without limitation: nonpayment of fees or other amounts when due under any purchase agreement or the Operating Agreement; representations and warranties set forth in the Operating Agreement becoming incorrect in any material respect (the PurchaseCo Parties shall define the scope of relevant representations and warranties and materiality thresholds related thereto in further detail as part of the Operating Agreement), subject to reasonable cure periods; violation of covenants (subject, in the case of certain affirmative covenants, to a commercially reasonable cure period to be agreed upon); occurrence of a default (whether or not resulting in acceleration) under any agreement governing indebtedness, in excess of an amount to be agreed upon, of PurchaseCo; bankruptcy events of PurchaseCo, Coast or the Principals; conviction or guilty or nolo contendere pleas of a criminal offense or civil judgment in excess of \$50,000.00 of PurchaseCo, Coast or any of the Principals; and certain ERISA events.

**EXPENSES AND INDEMNIFICATION:**

PurchaseCo shall pay (a) all expenses of OHP associated with the preparation, execution, delivery and administration of the Operating Agreement, prior Package and File purchase agreements, and any amendment or waiver with respect thereto (including the reasonable fees, disbursements and other charges of counsel) whether or not the transaction closes, (b) all expenses of OHP (including the fees, disbursements and other charges of counsel) in connection with the enforcement of the Operating Agreement and all ongoing business expenses of OHP (including but not limited to administration, tax, legal and accounting), (c) fees and expenses associated with other advisors and professionals engaged by OHP in connection with the PurchaseCo Operating Agreement, and (d) other related expenses incurred by OHP during the due diligence process.

The Operating Agreement will contain standard indemnification and exculpation language related to the members of PurchaseCo.

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**GOVERNING LAW:** This term sheet is, and the Operating Agreement will be, governed by the internal laws of the State of Delaware.

**WAIVER OF JURY TRIAL:** In the Operating Agreement, each party will agree to a waiver of jury trial substantially similar in form and substance to the following:

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

**VENUE:** ~~Orange County, California~~ Wilmington, Delaware.

Nonbinding Term Sheet

Each of the parties hereby approves and adopts this Term Sheet as of \_\_\_\_\_, 2020.

**B.A.T. Inc.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Coast Processing Principals, individually**

By: \_\_\_\_\_  
Name: Brian Reale

By: \_\_\_\_\_  
Name: Asante Bayrooti

By: \_\_\_\_\_  
Name: Mario Azevedo

**Old Hickory Partners – Coast, LP**

By: Old Hickory GP, LLC,  
its general partner

By: \_\_\_\_\_  
Name: Adam C. Blum  
Title: Manager

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Exhibit A:

B.A.T. Inc. dba Coast Processing - Affiliate Agreement with ACB Holdings, LP, dated September 29, 2020

Document comparison by Workshare 10.0 on Friday, January 8, 2021 5:10:53 PM

Input:	
Document 1 ID	netdocuments://4811-7258-7475/5
Description	Old Hickory - Coast Processing -Term sheet
Document 2 ID	netdocuments://4811-7258-7475/6
Description	Old Hickory - Coast Processing -Term sheet
Rendering set	Standard

Legend:	
<u>Insertion</u>	
<del>Deletion</del>	
<del>Moved from</del>	
<u>Moved to</u>	
Style change	
Format change	
<del>Moved deletion</del>	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	4
Deletions	2
Moved from	0
Moved to	0
Style changes	0
Format changes	0
Total changes	6

COAST PROCESSING  
INDICATIVE SUMMARY OF TERMS AND CONDITIONS

This Indicative Summary of Terms and Conditions is intended only as an outline of certain of the material terms of the proposed operating agreement (the “Operating Agreement”) for PurchaseCo, a Delaware limited liability company to be jointly owned and managed by Old Hickory Partners – Coast, L.P. (“OHP”) and B.A.T. Inc. dba Coast Processing and its principals Brian Reale, Asante Bayrooti and Mario Azevedo (“Coast,” and together with OHP, the “PurchaseCo Parties”) and does not purport to summarize all of the conditions, covenants, representations, warranties and other provisions that would be contained in definitive documentation for the structure of the Operating Agreement contemplated hereby.

**PURCHASECO  
ENTITY:**

The PurchaseCo Parties will establish PurchaseCo, a Delaware limited liability company to be jointly owned and managed by OHP and Coast for the exclusive purpose of purchasing all future cash flow streams from individual receivables (collectively, “Packages”) sourced by Coast and its Affiliates, and to receive cash flows therefrom.

**OWNERSHIP:**

Each PurchaseCo Party’s respective interest in PurchaseCo (“Ownership Interest”) is as follows:

Coast – 70%  
OHP – 30%

**CAPITALIZATION:**

Prior to commencing operations at PurchaseCo, the PurchaseCo Parties will capitalize PurchaseCo with \$300,000.00 of equity, pro rata, according to the Ownership Interests (the “Equity Investment”):

Coast – \$210,000.00  
OHP – \$90,000.00

One time per month, PurchaseCo can issue an additional capital call request to OHP for the sole purpose of funding the purchase of Eligible Receivables (as hereinafter defined) that PurchaseCo’s cash on hand cannot fund (the “Funding Capital”). The PurchaseCo Parties agree that OHP’s Ownership Interest in PurchaseCo will not exceed 30%, except in certain circumstances to be described in the Operating Agreement, and is not adjusted by its contributions of Funding Capital.

OHP’s Funding Capital is available over 5 years in the amount of \$10 million (the “Commitment”); provided that during the first 6 months starting from the Closing Date (as hereinafter defined), availability of Funding Capital shall be limited to \$5 million, and that the first advance of Funding Capital shall be limited to \$2 million. Any distributions of Funding Capital to OHP are subject to reinvestment by PurchaseCo to fund additional Eligible Receivables. The Commitment term and size can be increased at OHP’s option.

PurchaseCo’s ability to call Funding Capital shall be subject to certain restrictions set forth in the Operating Agreement, including the Cost Basis of Eligible Receivables measured as of the last day of the prior month (the “Funding Base”). The Funding Base as of any date of determination shall be an amount equal to 100% of the Cost Basis of Eligible Receivables. The “Cost Basis” of Eligible Receivables refers to the amount paid to Affiliates for a File (as hereinafter defined) or Packages. For the purposes of calculating the Funding Base, Eligible Receivables shall also include any Files or Packages contracted with Affiliates and approved for purchase by PurchaseCo in the current month. To the extent that the outstanding amount of the Funding Capital exceeds the Funding Base (a “Funding Base Deficiency”), PurchaseCo

shall immediately pay OHP in an amount sufficient to eliminate the Funding Base Deficiency.

“Eligible Receivables” shall mean any payment stream from a File (or collectively, a Package for a given month) that satisfies either of the following conditions: (a) receives unanimous consent for purchase by all the PurchaseCo Parties, or (b) meets the following criteria: (1) such receivable has had at least its first payment made, and (2) such receivable has a purchase cost of less than the lesser of (i) 40% of the total expected cash flows to be collected over the term of the File or Package (prior to management fee or cancellations), or (ii) 7.5% of the total gross balance of debt enrolled per File or Package.

**CONDITIONS  
PRECEDENT:**

The creation of PurchaseCo will be subject to satisfaction of the conditions precedent deemed appropriate by OHP for the an alignment of interest between the PurchaseCo Parties, defined as the following:

Coast shall certify that Brian Reale, Asante Bayrooti and Mario Azevedo (the “Principals”) individually and their other Package-buying entities, including but not limited to ABR Enterprises, LLC, Freedom Enrollment, and any trusts or entities owned, managed by, or for the benefit of the Principals or their affiliates (the “Coast Entities”), shall not engage in the purchase of any new Packages that meet the criteria of an Eligible Receivable, unless OHP first declines to provide Funding Capital for the specific Package.

The execution of the Operating Agreement will also be subject to satisfaction of the conditions precedent deemed appropriate by OHP for transactions of this type generally and for this transaction in particular, including, but not limited to, the following:

- OHP shall have received from PurchaseCo all fees required to be paid and all expenses for which invoices have been presented.
- All governmental and third party approvals necessary in connection with the transaction(s) contemplated hereby and the continuing operations of PurchaseCo, Coast and its subsidiaries (including shareholder approvals, if any) shall have been obtained on satisfactory terms and shall be in full force and effect.
- OHP shall have received such closing documents as are customary for transactions of this type or as it may reasonably request, including but not limited to resolutions, good standing certificates, incumbency certificates, organizational documents, consents, and financing statements or similar filings, all in form and substance acceptable to OHP and its counsel.

The date on which the PurchaseCo Parties execute the Operating Agreement shall be referred to as the “Closing Date.”

**PURCHASECO  
OPERATIONS:**

PurchaseCo will purchase, from lead generating and marketing companies affiliated with Coast (“Affiliates”), cash flow streams that represent the Affiliate’s entire interest in customer payments for debt validation services (“Files”). All Files purchased within a calendar month will be collectively called a “Package.” Files will be funded from the following capital sources of PurchaseCo, in order of availability:

- 1) Available cash on hand at PurchaseCo (retaining a minimum Cash (as hereinafter defined) balance of \$25,000.00 at all times);
- 2) Funding Capital, up to the Commitment amount (one draw per month maximum); and

- 3) Equity infusion from the PurchaseCo Parties in proportion to the Ownership Interests.

Coast will manage the day-to-day operations of PurchaseCo and will administer all Package collections and management of the Files, with the help of a fund administrator (to be hired by PurchaseCo if so requested by OHP). Collections and management will operate substantially similar to the collections and management of current Packages of Files sold to third parties and as detailed in that certain B.A.T. Inc. dba Coast Processing - Affiliate Agreement with ACB Holdings, LP, dated September 29, 2020 (Exhibit A), including, but not limited to, the monthly maintenance fee and refund clawback mechanics. At any time, OHP may request that PurchaseCo and Coast engage a backup servicer to onboard in preparation for one day taking over PurchaseCo's servicing and collections should, in OHP's determination, Coast not be able to fulfill such duties. The Principals will be the primary negotiators with each Affiliate for the terms of Package or File purchases on behalf of PurchaseCo, and Coast, as well as the Coast Entities, will act at all times with a fiduciary duty first and foremost to PurchaseCo. Any commission income due or received by any of Coast, the Principals, or its affiliates, related to the purchase of Files or Packages funded by PurchaseCo, shall be contributed to PurchaseCo and deemed income of PurchaseCo and not part of Coast's equity contributions to PurchaseCo. Should Coast or its affiliates ever create an Affiliate, Package- or File-buying entity or any other similar entity or joint venture (such business to be determined to be a similar business in OHP's reasonable discretion) that is owned or managed, directly or indirectly, by Coast or the Principals or affiliates, Coast will notify the PurchaseCo Parties in advance and will provide all reasonable disclosures as requested by the PurchaseCo Parties on a continuing and ongoing basis, including evidence that such business does not violate the terms of the Operating Agreement or any other contract among the PurchaseCo Parties and their assigns.

Each of OHP and Coast will appoint a manager to represent its interests at PurchaseCo. Authorization from both Managers representing the PurchaseCo Parties shall be required for certain business operations including, but not limited to, bank outflows (dual authorization required for any disbursements), debt drawdowns, debt prepayments, equity distributions, any raises of debt or equity or issuance/purchase of securities, annual budgeting, tax matters, any acquisition or sale of assets (except in the normal course), initiation or responses to any litigation, and other major activities deemed as such by OHP in its reasonable discretion (collectively "Major Decisions"). The PurchaseCo Parties hereby agree that the exclusive capital provider to PurchaseCo shall be OHP and its assigns, Coast, and the Principals.

**RIGHT OF FIRST  
REFUSAL:**

For so long as PurchaseCo has not been wound down, PurchaseCo will have a right of first offer for any and all Files or Packages related to a Coast customer, that of an Affiliate, an affiliate of Coast or a Principal of Coast. Should OHP decline to have PurchaseCo fund payments associated with a complete Package, then the Package may be offered to any other party, provided such offer be made on the same economic and qualitative terms (in OHP's reasonable discretion) as those offered to PurchaseCo. At no time shall Coast, an affiliate of Coast or a Principal of Coast present a File or a Package to any third-party prior to presentation to PurchaseCo and OHP and the rejection of such File or Package (subject to the immediately following sentence) by OHP. To the extent PurchaseCo is presented certain Files, but not a complete Package, any rejection of such Files by OHP shall not permit that such Files



may be offered to any other party, until such time as OHP rejects the entire Package. Following a rejection of a Package, if any terms change for the acquisition of such Package, OHP (on PurchaseCo's behalf) must be presented with the revised terms for such Package with the opportunity to acquire such Package. The right of first offer set forth in this section shall continue regardless of default under the terms of the Operating Agreement or other definitive documents or of the number of times OHP has rejected Packages presented to PurchaseCo. In the event that OHP accepts a transaction, but PurchaseCo or Coast is in default of any agreement involving OHP, then OHP may, in its discretion, have such File or Package accounted for separately from all previously acquired Files or Packages or have such Files or Packages acquired by a different entity than PurchaseCo that may be owned and controlled by OHP.

**DISTRIBUTIONS:**

At such time as a distribution is made by PurchaseCo to the PurchaseCo Parties, the "waterfall" would work as follows:

1. First, to OHP until such time as OHP has received a return of all Funding Capital contributed to PurchaseCo;
2. Next, to OHP until such time as OHP has received a return of its Equity Investment in PurchaseCo;
3. Next, to Coast until Coast has received a return of all of its Equity Investment in PurchaseCo; and
4. Thereafter, to the PurchaseCo Parties pro rata according to Ownership Interests.

**CONDITIONS  
PRECEDENT TO EACH  
ADVANCE OF FUNDING  
CAPITAL:**

In advance of each monthly funding request, Coast agrees to furnish to OHP, with at least two weeks' notice, a report, in a form to be agreed upon by the PurchaseCo Parties, which includes but is not limited to historical and projected performance statistics of Files purchased, organized by Affiliate. Funding of each monthly Funding Capital advance request is subject to OHP's receipt of and approval of such report, such approval not to be unreasonably withheld. Any nonresponse within forty-eight (48) hours of such receipt is deemed to be an approval of such report.

The making of each monthly contribution of Funding Capital shall further be conditioned upon (a) the accuracy of certain material representations and warranties which the PurchaseCo Parties shall set forth in the Operating Agreement following a further meet and confer on the subject; (b) there being no breach of any covenants in the Operating Agreement nor any Events of Default (as further defined below) in existence at the time of, or after giving effect to, the making of, such contributions of Funding Capital; (c) there being no material adverse change in PurchaseCo's or Coast's business practices in existence at the time of, or after giving effect to the making of, such Funding Capital advance, except that Coast has sole discretion to control the manner in which its validation program is operated (the PurchaseCo Parties shall define the scope of a material adverse change in business practices in further detail as part of the Operating Agreement); and (d) after giving effect to the contribution of Funding Capital, the total outstanding balance of the Funding Capital to PurchaseCo shall not exceed the lesser of the Commitment or the Funding Base then in effect.

**FUNDING CAPITAL  
COVENANTS:**

The financial covenants under the Operating Agreement governing the Funding Capital shall be as follows:

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- PurchaseCo shall not permit the Cancellation Rate (as hereinafter defined) of any monthly Package, or across all owned Files, to be greater than 40%, tested at the end of each calendar month; and
- PurchaseCo's Cash balance shall at all times be at least \$25,000.00.

"Cancellation Rate" means, as of any date of determination thereof, an amount, expressed as a percentage, equal to (a) the total dollar amount of undiscounted expected future cash flows from Files cancelled, written off, or greater than 60 days overdue, divided by (b) the total dollar amount of undiscounted received and expected future cash flows from all Files.

"Cash" shall mean cash or cash equivalents of a person, (a) that are not, and are not required to be, designated as "restricted" on the financial statements of such person, (b) that are not contractually required, and have not been contractually committed by such person, to be used for a specific purpose, (c) that are not subject to (i) any provision of law, statute, rule or regulation, (ii) any provision of the organizational documents of such person, or (iii) any order of any governmental authority, (d) in which no person has a lien, and (e) that are held in a deposit account or securities account, as applicable, in which OHP has direct access.

A violation of either of these covenants shall entitle OHP to, in its sole discretion: (a) withhold future investment notwithstanding any representation to the contrary without waiving its ROFO/ROFR, (b) accelerate the repayment of Funding Capital to OHP pursuant to the Distributions section above, and (c) institute a "freeze" on the bank account(s) whereby no transaction may be made from the bank account(s) of PurchaseCo.

**REPRESENTATIONS  
AND WARRANTIES:**

The Operating Agreement shall contain representations and warranties customary for transactions of this type and other terms deemed appropriate by OHP, including with respect to licenses, permits and compliance with law.

**AFFIRMATIVE  
COVENANTS:**

The affirmative covenants applicable to PurchaseCo and its subsidiaries shall include, without limitation, the following: delivery to PurchaseCo Parties of monthly, quarterly and annual financial statements of Coast and PurchaseCo; annual audits with unqualified opinions of PurchaseCo and Coast; access to real-time performance of packages; delivery of monthly projections by Coast for OHP's expected advances of Funding Capital; payment of obligations; continuation of business and maintenance of existence and material rights and privileges; compliance with laws and material contractual obligations and obtainment and maintenance of any and all applicable licenses with proper authorities, if any, by both Coast and PurchaseCo; accuracy of information; maintenance of property and general liability insurance; maintenance of books and records; right of OHP to inspect property and books and records of Coast and PurchaseCo; notices of defaults and notice of formal service of lawsuits against PurchaseCo and Coast; continued unrestricted access provided to OHP of all PurchaseCo's bank accounts; use of proceeds of Funding Capital; and all or substantially all of professional time of Coast's senior management devoted to the management of the business of Coast and PurchaseCo.

**NEGATIVE  
COVENANTS:**

The negative covenants applicable to PurchaseCo and its subsidiaries shall include, without limitation, limitations on the following (subject to exceptions, as appropriate, to be negotiated and including the specific exceptions set forth herein):

- indebtedness (including guarantee obligations);

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- liens;
- fundamental changes (including mergers, consolidations, liquidations, dissolutions, and divisions; changes in fiscal year and changes in line of business; transfers of interests; issuances of securities);
- investments;
- dispositions of assets outside the normal course;
- payment of restricted payments (including dividends and other payments in respect of equity interests);
- negative pledge clauses on the PurchaseCo Parties; or
- amendment of material documents.

**EVENTS OF DEFAULT:**

Following an Event of Default (as hereinafter defined) and any reasonable cure periods (as further described and agreed upon in the Operating Agreement), the Commitment shall, at the sole discretion of OHP, be reduced to \$0.00, and OHP shall take sole control over PurchaseCo, any managers of PurchaseCo appointed by Coast will be removed as a manager, and OHP shall cause all assets of PurchaseCo, including existing cash and any cash from receivables owned by PurchaseCo, to be distributed directly to OHP until OHP's Funding Capital and Equity Investment are fully repaid. Following full repayment of OHP's Funding Capital and Equity Investment, PurchaseCo's operations and ownership shall revert as if such Event of Default had not occurred. An "Event of Default" includes, without limitation: nonpayment of fees or other amounts when due under any purchase agreement or the Operating Agreement; representations and warranties set forth in the Operating Agreement becoming incorrect in any material respect (the PurchaseCo Parties shall define the scope of relevant representations and warranties and materiality thresholds related thereto in further detail as part of the Operating Agreement), subject to reasonable cure periods; violation of covenants (subject, in the case of certain affirmative covenants, to a commercially reasonable cure period to be agreed upon); occurrence of a default (whether or not resulting in acceleration) under any agreement governing indebtedness, in excess of an amount to be agreed upon, of PurchaseCo; bankruptcy events of PurchaseCo, Coast or the Principals; conviction or guilty or nolo contendere pleas of a criminal offense or civil judgment in excess of \$50,000.00 of PurchaseCo, Coast or any of the Principals; and certain ERISA events.

**EXPENSES AND INDEMNIFICATION:**

PurchaseCo shall pay (a) all expenses of OHP associated with the preparation, execution, delivery and administration of the Operating Agreement, prior Package and File purchase agreements, and any amendment or waiver with respect thereto (including the reasonable fees, disbursements and other charges of counsel) whether or not the transaction closes, (b) all expenses of OHP (including the fees, disbursements and other charges of counsel) in connection with the enforcement of the Operating Agreement and all ongoing business expenses of OHP (including but not limited to administration, tax, legal and accounting), (c) fees and expenses associated with other advisors and professionals engaged by OHP in connection with the PurchaseCo Operating Agreement, and (d) other related expenses incurred by OHP during the due diligence process.

The Operating Agreement will contain standard indemnification and exculpation language related to the members of PurchaseCo.

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**GOVERNING LAW:**

This term sheet is, and the Operating Agreement will be, governed by the internal laws of the State of Delaware.

**WAIVER OF JURY TRIAL:**

In the Operating Agreement, each party will agree to a waiver of jury trial substantially similar in form and substance to the following:

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

**VENUE:**

Wilmington, Delaware.

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Each of the parties hereby approves and adopts this Term Sheet as of \_\_\_\_\_, 2020.

**B.A.T. Inc.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Coast Processing Principals, individually**

By: \_\_\_\_\_  
Name: Brian Reale

By: \_\_\_\_\_  
Name: Asante Bayrooti

By: \_\_\_\_\_  
Name: Mario Azevedo

**Old Hickory Partners – Coast, LP**

By: Old Hickory GP, LLC,  
its general partner

By: \_\_\_\_\_  
Name: Adam C. Blum  
Title: Manager

Nonbinding Term Sheet

Exhibit A:

B.A.T. Inc. dba Coast Processing - Affiliate Agreement with ACB Holdings, LP, dated September 29, 2020

**B.A.T. Inc. dba Coast Processing - Affiliate Agreement**

THIS AGREEMENT (the "Agreement") is made and effective as of this 29<sup>th</sup> of September, 2020 by and between B.A.T. Inc. dba Coast Processing ("BAT"), and **ACB Holdings, LP** ("Purchaser"), and together with BAT's affiliated marketing team(s) (the "Affiliate").

RECITALS:

BAT is in the business of providing administrative support services for law firms providing a package debtor's rights services in the form of debt validation, consultation, and litigation defense through a duly licensed law firm The Litigation Practice Group PC ("LPG"). Among the services offered by BAT through LPG are the following:

- Removal of invalid debts through correspondence directly with the three credit bureaus;
- Validation of consumer debts through correspondence including disputes with original creditors, validation demands to third party debt collectors and assignees, and disputes with all three credit bureaus;
- Defense of collection actions initiated by original creditors or third party assignees;
- Negotiation of advantageous settlements of consumer debts both pre and post litigation;
- Protection from harassing collection practices, including but not limited to the initiation of actions under the Telephone Consumer Protection Act and Fair Debt Collection Practices Act; and
- Education of clients regarding federal laws applicable to consumer debt and credit reporting, and consultation regarding risk mitigation and litigation defense through its network of attorneys across the country.

Each of these services is offered without regard to the identity of the creditor or third-party debt collector or assignee. BAT reviews all client files prior to the execution of the client's legal services agreement with LPG, and maintains oversight through its administrative services over all file placements.

Affiliate owns and operates a system of generating leads consisting of consumers interested in the legal services offered by LPG through its agent, BAT. Affiliate, acting in accordance with direction from BAT, shall obtain the names of prospective consumers and will market in a lawful manner, complying with the restrictions of the jurisdiction in which the consumer resides. For consumers interested in utilizing BAT's services (a "Consumer"), Affiliate will assist BAT in having Consumers execute an approved legal services agreement with [LPG] to which BAT provides administrative support services. Following execution of an approved legal services agreement, Consumers will become clients of [LPG], and LPG will be exclusively responsible for and liable for the representation of consumers in the context of the provision of legal services.

Pursuant to a separate agreement, BAT has acquired from Affiliate all right, title and interest to the payments owing to Affiliate from the client files of the Consumers listed on Addendum A (the "Client Files"). Purchaser desires to purchase from BAT, and BAT desires to sell to Purchaser, the Consumer payments associated with the Client Files. The parties hereto desire to enter into this Agreement to provide for the acquisition of the all right, title and interest to the payments owing to Affiliate (the "Payments") resulting from the Consumers under the Client Files.

BAT, Purchaser and Affiliate hereby agree to the following:

1. Subject to the terms of this Agreement, each Party shall be solely responsible for bearing its own costs and expenses incurred in performing its responsibilities under this Agreement, including all tariffs, filings, licensing and/or other fees.

2. Affiliate shall comply with state and federal laws in performing (a) its operations associated with the transactions contemplated herein and (b) its obligations under this agreement and any other agreement associated herewith, including communicating with Consumers regarding BAT or any of its programs.

3. BAT shall comply with state and federal laws in performing (a) its operations associated with the transactions contemplated herein, (b) its obligations under this Agreement, and (c) the legal services agreement entered into between BAT and the Consumers referred by Affiliate.

4. If requested by BAT, Affiliate shall provide a copy of all marketing materials to BAT upon receiving a request from BAT. Affiliate shall endeavor to provide such materials within 10 business days of such request, but may provide such materials in any time frame that is commercially reasonable.

5. Affiliate agrees to keep any and all documents or communications between itself and BAT/Purchaser confidential pursuant to the provisions set forth below.

6. Acquisition.

- a. BAT hereby grants, assigns, sells, conveys, transfers and delivers to Purchaser and Purchaser hereby accepts, assumes and receives from BAT, all of BAT's right, title and interest to the Payments (which represents 65% of the payments received by BAT for the Client Files) in exchange for PURCHASER remitting to BAT a fee of \$437,750.00 (the "Purchase Price").
- b. Following the execution of this Agreement and the payment of the Purchase Price, BAT shall pay 65% of the difference resulting from (1) each Payment per Client File for each Consumer listed on Addendum A to this Agreement, which represents all of Affiliate's right, title and interest to the Payments, less (2) the monthly maintenance fee of \$91.38, which BAT shall retain to cover administrative costs for each Client File. BAT acknowledges Affiliate has placed the Consumers with BAT. Payment of 65% of each Client File shall be made by BAT direct to PURCHASER, and no portion of the per Client File payment shall be made to Affiliate, upon receipt of such funds by BAT.
- c. If BAT is required to refund payment for services to any Consumer, then Purchaser shall be responsible for returning the entirety of its fees collected on such Client File to BAT (in such percentage as is set forth herein). BAT has exclusive discretion to grant or deny a requested refund or cancellation, subject to the terms of this Agreement. BAT shall be entitled to offset any future payments to Purchaser in order to recover a refund awarded by BAT.



- d. The amounts paid from the Consumers for each Client File shall be receivables of PURCHASER, and Purchaser shall have an undivided interest in the whole of any receivable from BAT, such that it shall have a legal claim to such receivable.

7. Each of BAT, Affiliate and Purchaser have all requisite power and authority to execute and deliver this Agreement and the other documents contemplated hereby (the "Transaction Documents") to which it is a party, to consummate the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party. All requisite actions on the part of BAT, Affiliate and Purchaser and their officers, managers and members necessary for the authorization, execution and delivery of this Agreement and the other Transaction Documents to which they are a party, and the performance of all obligations of such party hereunder and thereunder, has been taken. This Agreement and the other Transaction Documents to which each of BAT and Affiliate is a party have been duly and validly executed and delivered and constitute, assuming this Agreement and the other Transaction Documents to BAT and Affiliate are a party have been duly authorized, executed and delivered by the other parties thereto, valid and legally binding obligations of each of BAT and Affiliate, enforceable against each of them in accordance with their respective terms, subject to applicable bankruptcy or other similar Laws affecting the rights and remedies of creditors generally as well as to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). BAT represents and warrants to Purchaser that BAT has good and marketable title to, all Client Files and Affiliate has no right to receive any payment with respect to such Client Files. Each Consumer represented by the Client Files has made at least one of their required payments to BAT.

8. Each of BAT and Affiliate are in compliance in all material respects with all any federal, state, local or foreign law (including common law), statute, code, ordinance, rule, regulation or other requirement ("Law") applicable to its business or operations. Neither of BAT or Affiliate have received any written or other notice or been charged with the violation of any Laws. To the knowledge of BAT and Affiliate, neither is under investigation with respect to the violation of any Laws and, to the knowledge of BAT and Affiliate, there are no facts or circumstances which could form the basis for any such violation. BAT and Affiliate currently have all material approvals, authorizations, consents, licenses, permits or certificates which are required for the operation of the business as presently conducted ("Permits"). Neither BAT and Affiliate (i) are in default or violation (and no event has occurred which, with notice or lapse of time or both, would constitute a default or violation) of any term, condition or provision of the certificate of organization of the relevant party, and (ii) are in default or violation (and no event has occurred which, with notice or the lapse of time or both, would constitute a default or violation) in any material respect of any term, condition or provision of any Permit, to which the business is subject or by which its properties or assets are bound, and to the knowledge of the BAT and Affiliate, there are no facts or circumstances which could form the basis for any such default or violation.

9. No fee (other than the amount set forth Paragraph 6) shall be due from PURCHASER to either Affiliate or BAT, except the refund deduction set forth in Paragraph 10. PURCHASER shall be entitled to all payments due to Affiliate from the Client Files as described under Paragraph 6, without limitation. Neither BAT nor Affiliate may modify this Agreement without the express written consent of PURCHASER, which consent may be withheld for any reason without limitation.

10. BAT shall bear all expenses related to the services it offers to Consumers, and Affiliate shall bear all expenses related to its marketing of the same except as is set forth in this Paragraph. No expense shall be borne by PURCHASER. BAT reserves all rights with regard to rejection or cancellation of a Consumer, but will do so only in accordance with the recommendation of the law firm utilized in providing such service, subject to the applicable state bar rules for such representation and the consent of Purchaser. PURCHASER shall be responsible for its pro rata share of refunds issued to a client as the result of a cancellation, which refund shall be borne in proportion to PURCHASER's share of fees as set forth in Paragraph 6. Notwithstanding anything to the contrary in this Agreement, such refund shall be deducted from future remittance by PURCHASER, except that if all payments to PURCHASER have been complete, any refund issued by BAT to client shall be borne exclusively by BAT. To the extent a refund or cancellation is granted to a Consumer due to a breach of a representation, warranty or covenant set forth in this Agreement, the Purchase Price shall be reduced by the amount of the Purchase Price attributable to the refunded or cancelled Client File, as calculated by taking the total value of the relevant Client File divided by the aggregate value of all Client Files and multiplying such number by the Purchase Price.

11. BAT and Affiliate shall indemnify, defend and hold harmless the Purchaser and its successors and assigns, heirs, beneficiaries, legal and other representatives and affiliates, and each of their respective partners, members, shareholders, managers, directors, officers, employees and agents (collectively, the "Purchaser Group") from and against all claims, actions or causes of action, assessments, demands, losses, damages, judgments, fines, settlements, liabilities, costs and expenses, including interest, penalties and reasonable attorneys', experts' and accounting fees and expenses of any nature whatsoever (collectively, "Damages"), asserted against, suffered by, imposed upon or incurred by any member of the Purchaser Group to the extent caused by (a) BAT's, Affiliate's or LPG's actions or omissions in their business operations, or (b) a breach of any covenant, agreement, representation or warranty of BAT and Affiliate contained in this Agreement. The indemnity provided for in this Section 11 is not limited to third party claims against members of the Purchaser Group. This Section 11 shall survive the termination of this Agreement.

12. Notwithstanding anything to the contrary in this Agreement, prior to March 31, 2020, BAT shall not, and shall not allow any of its affiliates to, offer any client files or similar revenue generating opportunities to any other Person (as defined under applicable law) other than to Purchaser, except for any existing relationship for the acquisition of customer files; *provided, however*, if Purchaser elects to not participate in such opportunity or fails to respond to BAT or its applicable affiliate within ten (10) business days, BAT or its applicable affiliate will be permitted to enter into a transaction with a third-party purchaser. Any notice of a prospective business opportunity shall be delivered in writing by e-mail (read receipt requested) to [adamblum@aol.com](mailto:adamblum@aol.com) and [kevin.yu93@gmail.com](mailto:kevin.yu93@gmail.com).

13. This Agreement shall continue in full force and effect until the conclusion of the payment term of the clients set forth in attached addenda. Those respective client lists are attached hereto as Addendum A, Addendum B, and Addendum C, and each represents a separate batch of clients delivered from separate marketing affiliates. The anticipated return on this investment is 22% to 27%, but no return is guaranteed. The anticipated return is based on the prior performance of other clients, but the performance of the clients contained in the packages attached as Addendum A, Addendum B, and

Addendum C is unknown, and no representation is made as to the likely performance of such clients. The parties agree that the use of the phrase "payment term" shall mean the total of all payments due from any client listed in Addendum A to BAT or Affiliate without limitation, and without regard to whether a modification of the agreement between such client and BAT shall have taken place. Upon the conclusion of all payments from all clients listed in Addendum A to BAT, and BAT's payment in turn to PURCHASER, this Agreement shall cease except that any term contemplated to extend beyond the completion of such term shall remain in full force and effect.

14. Upon termination of this Agreement for any reason whatsoever, BAT, Purchaser and Affiliate will refrain, and will instruct their affiliates, officers, directors, employees, contractors and agents to refrain, from making any disparaging or negative comment, remark, statement, or implication, whether written or oral, about any party to this Agreement.

15. The confidential information of BAT, Purchaser or Affiliate shall include information regarding contracts, customer or client lists or information, employees, directors, officers, investors, hardware, software, screens, specifications, designs, plans, drawings, data, prototypes, discoveries, research, developments, methods, processes, procedures, improvements, 'Know-how', compilations, market research, marketing techniques and plans, marketing materials, business plans and strategies, documents, this Agreement, scripts, guidelines, price lists, pricing policies and financial information or other business and/or technical information and materials, in oral, demonstrative, written, graphic or machine-readable form, which is unpublished, not available to the general public or trade, and which is maintained as confidential and proprietary information by the disclosing party for regulatory, customer relations, and/or competitive reasons. None of BAT, Purchaser or Affiliate may disclose the confidential information of the other, the name of the other, or the existence of this Agreement without the express written consent of the applicable party. The disclosure of information in connection with a judicial or administrative proceeding shall not constitute a violation of this term. The parties hereto agree to notify the other if any inadvertent disclosure of information occurs within 48 hours of becoming aware of such disclosure, to the extent legally and practically permissible. The parties hereto agree to work together in good faith to remediate any disclosure of confidential information. A party whose confidential information is disclosed shall be entitled to injunctive relief in any court of competent jurisdiction.

16. Nothing in this Agreement nor in the eventual legal services agreement shall restrict Affiliate from offering any other service of any kind to Consumer, including credit repair or debt relief programs. The Affiliate is not restricted from marketing on behalf of debt settlement, debt consolidation, credit repair, or debt relief entities, including but not limited to other law firms. BAT and Affiliate hereby agree that any and all prior agreements entered into by BAT and Affiliate or any law firm to which BAT provides administrative support services and Affiliate are null and void and unenforceable, and this Agreement shall become the operative agreement for all files previously placed through the use of BAT's administrative support services.

17. This Agreement shall be governed by the laws of the State of California, and the Courts of the State of California, County of Orange, shall have exclusive subject matter jurisdiction over this Agreement. All parties hereto to this Agreement consent to the personal jurisdiction of the Superior Court of California, County of Orange, over such party.

18. Affiliate agrees not to use the name BAT in any advertising, publicity release, or sales presentation designed to promote Affiliate's service, unless BAT provides prior written consent to such specific use.

19. Any fees incurred by BAT in connection with a Consumer's Non-Sufficient Funds ("NSF") fee shall be borne mutually by both BAT and Purchaser if and only if the Consumer cancels the program after such NSF. To the extent the Consumer cancels the program after such NSF, Purchaser shall bear that portion of the NSF fee commensurate with its share of the per file fee set forth in Paragraph 6, above. This amount shall be deducted from the fees remitted to Purchaser in the month in which the client having an outstanding NSF charge cancels the program without remitting such NSF fee.

20. This Agreement may be assigned or transferred without the prior written consent of the other by PURCHASER. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns.

21. In the event of a breach, the party who prevails in any court proceeding shall be entitled to reasonable attorneys' fees and collection costs, including all fees and costs on appeal.

22. This Agreement contains the entire Agreement between the Parties hereto, and shall not be modified, amended or supplemented, or any rights therein waived, unless specifically agreed upon in writing by BAT, Purchaser and Affiliate.

[signature page follows on the next page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized officers, all as of the day and year first above written.

B.A.T. Inc.


A handwritten signature in cursive script, appearing to read "Brian Reale", is written over a horizontal line.

By: Brian Reale

Title: Chief Executive Officer

ACB Holdings, LP

By:

A handwritten signature in cursive script, appearing to read "Adam C. Blum", is written over a horizontal line.  
Name: Adam C. Blum

Title: Manager

**Electronic Funds Transfer Authorization**

This Electronic Funds Transfer (EFT) authorization is for use in connection with the foregoing Agreement, and permits BAT to transfer any and all amounts due to ("PURCHASER") under the foregoing Agreement by EFT. By signing below, PURCHASER hereby authorizes BAT to initiate EFT transfers at its discretion, with all fees and costs incurred by PURCHASER in connection with such transfer to be borne by PURCHASER, while all fees and costs incurred by BAT in connection with such transfer to be borne by BAT.

Account Holder Signature:  Date: 01-OCT-2020


By: ADAM BLUM  
VICE PRESIDENT OF ACB HOLDINGS  
MANAGEMENT, LLC, ITS GENERAL  
Title: PARTNER

Account Owner Name: ACB HOLDINGS LP

Social Security Number / FEIN Number associated with account listed below:



Address: 777 MAIN ST STE 550  
FORT WORTH, TX 76102  
City: State: Zip: Tel: 817-710-7073

Bank Name: BANK OF TEXAS  
Routing Number:   
Account Number: CHECKING  
Account type :

# ADDENDUM A

Company	Account Date	Monthly Payment	First Payment Date	Debt Entered	Int	State	Program Length (Months)	Pay Freq	Total Program Cost	Client Status	Total Payments Due	# Payments
Benefit 1st Financial	Jul 21, 2020	\$ 281.89	Aug 04, 2020	\$ 11,516.00	40%	TX	26.00	Monthly	\$ 7,173.64	Active File	\$ 52,978	2
Benefit 1st Financial	Jul 28, 2020	\$ 250.26	Aug 04, 2020	\$ 1,596.00	41%	HI	6.00	Monthly	\$ 1,251.00	Active File	\$ 106.52	0
Benefit 1st Financial	Jul 28, 2020	\$ 278.24	Aug 13, 2020	\$ 25,295.00	28%	FL	30.00	Monthly	\$ 9,944.81	Active File	\$ 552.48	0
Benefit 1st Financial	Jul 28, 2020	\$ 262.00	Jul 13, 2020	\$ 8,531.00	49%	CA	20.00	Monthly	\$ 5,240.00	Active File	\$ 624.00	0
Benefit 1st Financial	Jul 17, 2020	\$ 294.94	Aug 06, 2020	\$ 14,686.00	36%	PA	30.00	Monthly	\$ 8,029.90	Active File	\$ 501.88	2
Benefit 1st Financial	Jul 17, 2020	\$ 548.54	Jul 08, 2020	\$ 31,435.00	48%	MD	30.00	Monthly	\$ 19,743.60	Active File	\$ 1,006.86	2
Benefit 1st Financial	Jul 09, 2020	\$ 215.79	Aug 03, 2020	\$ 38,363.00	40%	OH	38.00	Monthly	\$ 18,370.88	Active File	\$ 1,026.38	2
Benefit 1st Financial	Jul 05, 2020	\$ 657.85	Aug 03, 2020	\$ 24,684.31	43%	NV	36.00	Monthly	\$ 13,235.40	Active File	\$ 736.30	0
Benefit 1st Financial	Jul 02, 2020	\$ 261.82	Jul 23, 2020	\$ 13,284.00	36%	NY	29.00	Monthly	\$ 7,302.92	Active File	\$ 503.84	0
Benefit 1st Financial	Jun 17, 2020	\$ 264.27	Jul 26, 2020	\$ 14,193.00	55%	PA	32.00	Monthly	\$ 8,126.71	Active File	\$ 501.64	2
Benefit 1st Financial	Aug 28, 2020	\$ 270.06	Sep 14, 2020	\$ 6,335.01	13%	WA	11.00	Monthly	\$ 3,232.43	Active File	\$ 202.06	0
Benefit 1st Financial	Aug 25, 2020	\$ 269.45	Sep 03, 2020	\$ 7,142.00	40%	IN	17.00	Monthly	\$ 4,410.08	Active File	\$ 239.43	0
Benefit 1st Financial	Aug 25, 2020	\$ 1,504.00	Aug 21, 2020	\$ 154,114.00	33%	MD	36.00	Monthly	\$ 54,547.30	Active File	\$ 1,804.00	1
Benefit 1st Financial	Aug 11, 2020	\$ 349.06	Sep 10, 2020	\$ 40,223.00	27%	MA	42.00	Monthly	\$ 14,498.17	Active File	\$ 949.06	0
Benefit 1st Financial	Aug 10, 2020	\$ 258.19	Sep 09, 2020	\$ 17,155.00	35%	PA	36.00	Monthly	\$ 9,281.88	Active File	\$ 106.00	1
Benefit 1st Financial	Aug 05, 2020	\$ 263.89	Aug 17, 2020	\$ 5,444.00	45%	NY	11.00	Monthly	\$ 3,385.54	Active File	\$ 258.86	0
Benefit 1st Financial	Aug 03, 2020	\$ 282.20	Aug 31, 2020	\$ 36,574.00	25%	OK	48.00	Monthly	\$ 14,829.74	Active File	\$ 282.20	1
Benefit 1st Financial	Jul 31, 2020	\$ 504.93	Aug 18, 2020	\$ 13,347.00	40%	CA	25.00	Monthly	\$ 7,822.30	Active File	\$ 304.93	0
Benefit 1st Financial	Jul 25, 2020	\$ 1,314.59	Aug 25, 2020	\$ 119,089.00	40%	RI	36.00	Monthly	\$ 47,325.05	Active File	\$ 1,314.59	1
Benefit 1st Financial	Jul 20, 2020	\$ 287.74	Aug 21, 2020	\$ 10,318.00	39%	GA	18.00	Monthly	\$ 5,358.02	Active File	\$ 287.74	0
Benefit 1st Financial	Jul 27, 2020	\$ 256.88	Aug 11, 2020	\$ 12,058.70	35%	OH	26.00	Monthly	\$ 5,669.22	Active File	\$ 257.71	1
Benefit 1st Financial	Jul 13, 2020	\$ 715.13	Aug 28, 2020	\$ 96,405.00	27%	CA	40.00	Monthly	\$ 36,605.90	Active File	\$ 715.13	1

Total Debt \$ 702,085.02



## **ADDENDUM B**

Category	Enrollment Date	Monthly Payment	First Payment Date	Debt Entered	Fee	State	Program Length	Pay Freq	Total Payment Cost	Current Status	Total Payments Received	Arrears Cleared
Debt Resolution Direct	Sep 09, 2020	\$ 379.30	Sep 11, 2020	\$ 17,312.96	0%	GA	36.00	Monthly	\$ 9,115.20	Active File	\$ 379.30	1
Debt Resolution Direct	Sep 09, 2020	\$ 451.25	Sep 15, 2020	\$ 32,270.00	49%	IL	36.00	Monthly	\$ 13,237.69	Active File	\$ 451.25	1
Debt Resolution Direct	Sep 09, 2020	\$ 541.90	Sep 15, 2020	\$ 46,475.00	49%	NY	36.00	Monthly	\$ 16,479.53	Active File	\$ 541.90	1
Debt Resolution Direct	Sep 09, 2020	\$ 372.50	Sep 15, 2020	\$ 18,170.00	40%	WA	24.00	Monthly	\$ 8,561.12	Active File	\$ 372.50	1
Debt Resolution Direct	Sep 09, 2020	\$ 295.70	Sep 11, 2020	\$ 23,797.00	40%	WA	36.00	Monthly	\$ 12,806.40	Active File	\$ 295.70	1
Debt Resolution Direct	Sep 09, 2020	\$ 866.99	Sep 15, 2020	\$ 69,400.00	49%	GA	36.00	Monthly	\$ 30,637.25	Active File	\$ 866.99	1
Debt Resolution Direct	Sep 09, 2020	\$ 424.50	Sep 09, 2020	\$ 19,135.00	40%	TX	24.00	Monthly	\$ 10,165.72	Active File	\$ 424.50	1
Debt Resolution Direct	Sep 02, 2020	\$ 409.20	Sep 15, 2020	\$ 29,514.00	40%	PA	36.00	Monthly	\$ 11,753.45	Active File	\$ 409.20	1
Debt Resolution Direct	Sep 02, 2020	\$ 531.56	Sep 15, 2020	\$ 15,145.00	38%	IL	24.00	Monthly	\$ 8,098.32	Active File	\$ 531.56	1
Debt Resolution Direct	Sep 02, 2020	\$ 483.59	Sep 08, 2020	\$ 20,481.00	40%	ME	36.00	Monthly	\$ 16,898.08	Active File	\$ 483.59	1
Debt Resolution Direct	Sep 02, 2020	\$ 723.03	Sep 04, 2020	\$ 55,854.00	49%	IL	36.00	Monthly	\$ 25,031.28	Active File	\$ 723.03	1
Debt Resolution Direct	Sep 02, 2020	\$ 1,013.71	Sep 04, 2020	\$ 83,018.00	40%	IL	24.00	Monthly	\$ 36,483.68	Active File	\$ 1,013.71	1
Debt Resolution Direct	Sep 02, 2020	\$ 366.95	Sep 11, 2020	\$ 24,895.00	40%	CO	36.00	Monthly	\$ 13,203.68	Active File	\$ 366.95	1
Debt Resolution Direct	Sep 02, 2020	\$ 493.39	Sep 04, 2020	\$ 33,520.00	40%	TX	24.00	Monthly	\$ 13,811.12	Active File	\$ 493.39	1
Debt Resolution Direct	Sep 02, 2020	\$ 365.35	Sep 15, 2020	\$ 42,457.00	40%	IL	36.00	Monthly	\$ 20,332.48	Active File	\$ 365.35	1
Debt Resolution Direct	Sep 04, 2020	\$ 372.51	Sep 15, 2020	\$ 21,703.00	40%	WA	36.00	Monthly	\$ 11,970.68	Active File	\$ 372.51	1
Debt Resolution Direct	Sep 01, 2020	\$ 629.25	Sep 10, 2020	\$ 49,461.00	40%	KY	36.00	Monthly	\$ 27,654.05	Active File	\$ 629.25	1
Debt Resolution Direct	Sep 01, 2020	\$ 487.38	Sep 15, 2020	\$ 47,520.00	30%	IL	36.00	Monthly	\$ 17,415.65	Active File	\$ 487.38	1
Debt Resolution Direct	Sep 01, 2020	\$ 832.03	Sep 11, 2020	\$ 29,460.00	40%	IL	24.00	Monthly	\$ 12,769.12	Active File	\$ 832.03	1
Debt Resolution Direct	Aug 31, 2020	\$ 520.17	Aug 15, 2020	\$ 29,591.00	40%	NY	36.00	Monthly	\$ 11,528.28	Active File	\$ 520.17	1
Debt Resolution Direct	Aug 31, 2020	\$ 338.88	Sep 15, 2020	\$ 17,275.00	40%	GA	36.00	Monthly	\$ 10,199.88	Active File	\$ 338.88	1
Debt Resolution Direct	Aug 29, 2020	\$ 668.04	Sep 02, 2020	\$ 30,611.00	40%	PA	36.00	Monthly	\$ 11,077.43	Active File	\$ 668.04	1
Debt Resolution Direct	Aug 28, 2020	\$ 1,123.11	Sep 01, 2020	\$ 30,582.00	40%	CO	12.00	Monthly	\$ 13,441.36	Active File	\$ 1,123.11	1
Debt Resolution Direct	Aug 28, 2020	\$ 764.53	Sep 10, 2020	\$ 49,790.00	40%	WA	24.00	Monthly	\$ 18,548.12	Active File	\$ 764.53	1
Debt Resolution Direct	Aug 27, 2020	\$ 655.72	Aug 28, 2020	\$ 39,740.00	40%	IL	36.00	Monthly	\$ 20,594.52	Active File	\$ 655.72	1
Debt Resolution Direct	Aug 27, 2020	\$ 350.85	Sep 07, 2020	\$ 25,561.00	31%	FL	36.00	Monthly	\$ 12,295.03	Active File	\$ 350.85	1
Debt Resolution Direct	Aug 27, 2020	\$ 375.06	Sep 15, 2020	\$ 25,506.00	40%	IL	36.00	Monthly	\$ 13,001.05	Active File	\$ 375.06	1
Debt Resolution Direct	Aug 27, 2020	\$ 653.21	Sep 10, 2020	\$ 42,349.00	38%	CA	36.00	Monthly	\$ 20,767.13	Active File	\$ 653.21	1
Debt Resolution Direct	Aug 27, 2020	\$ 382.37	Sep 15, 2020	\$ 28,930.00	30%	FL	36.00	Monthly	\$ 13,787.18	Active File	\$ 382.37	1
Debt Resolution Direct	Aug 26, 2020	\$ 432.10	Sep 05, 2020	\$ 51,543.00	25%	FL	36.00	Monthly	\$ 16,275.43	Active File	\$ 432.10	1
Debt Resolution Direct	Aug 25, 2020	\$ 547.89	Sep 05, 2020	\$ 21,590.00	40%	IL	36.00	Monthly	\$ 10,148.12	Active File	\$ 547.89	1
Debt Resolution Direct	Aug 25, 2020	\$ 419.70	Sep 10, 2020	\$ 24,825.00	40%	IL	36.00	Monthly	\$ 15,140.98	Active File	\$ 419.70	1
Debt Resolution Direct	Aug 26, 2020	\$ 501.45	Sep 10, 2020	\$ 19,936.00	40%	WA	36.00	Monthly	\$ 10,432.06	Active File	\$ 501.45	1
Debt Resolution Direct	Aug 20, 2020	\$ 567.08	Sep 01, 2020	\$ 41,002.00	49%	IL	36.00	Monthly	\$ 19,726.43	Active File	\$ 567.08	1
Debt Resolution Direct	Aug 16, 2020	\$ 332.38	Sep 01, 2020	\$ 52,904.00	30%	NY	36.00	Monthly	\$ 19,180.83	Active File	\$ 332.38	1
Debt Resolution Direct	Aug 27, 2020	\$ 588.11	Sep 11, 2020	\$ 41,129.00	49%	FL	36.00	Monthly	\$ 19,768.05	Active File	\$ 588.11	1
Debt Resolution Direct	Aug 25, 2020	\$ 1,204.01	Sep 15, 2020	\$ 60,147.00	49%	IL	36.00	Monthly	\$ 33,264.48	Active File	\$ 1,204.01	1
Debt Resolution Direct	Aug 25, 2020	\$ 423.75	Sep 15, 2020	\$ 28,627.00	40%	CO	36.00	Monthly	\$ 15,720.48	Active File	\$ 423.75	1
Debt Resolution Direct	Aug 25, 2020	\$ 488.90	Sep 15, 2020	\$ 32,145.00	40%	WA	36.00	Monthly	\$ 16,111.50	Active File	\$ 488.90	1
Debt Resolution Direct	Aug 24, 2020	\$ 525.15	Aug 21, 2020	\$ 31,414.00	49%	WA	36.00	Monthly	\$ 18,595.44	Active File	\$ 525.15	1
Debt Resolution Direct	Aug 24, 2020	\$ 334.81	Aug 23, 2020	\$ 19,540.00	40%	IL	36.00	Monthly	\$ 10,177.28	Active File	\$ 334.81	1
Debt Resolution Direct	Aug 24, 2020	\$ 377.25	Sep 11, 2020	\$ 26,737.00	40%	CA	36.00	Monthly	\$ 13,504.45	Active File	\$ 377.25	1
Debt Resolution Direct	Aug 24, 2020	\$ 369.61	Aug 27, 2020	\$ 13,802.00	49%	CO	36.00	Monthly	\$ 10,612.20	Active File	\$ 369.61	1
Debt Resolution Direct	Aug 24, 2020	\$ 416.10	Sep 05, 2020	\$ 20,045.00	40%	CO	36.00	Monthly	\$ 11,007.85	Active File	\$ 416.10	1
Debt Resolution Direct	Aug 24, 2020	\$ 504.75	Sep 15, 2020	\$ 35,798.00	40%	CA	36.00	Monthly	\$ 21,192.28	Active File	\$ 504.75	1
Debt Resolution Direct	Aug 22, 2020	\$ 593.88	Sep 05, 2020	\$ 28,828.00	20%	CA	36.00	Monthly	\$ 15,020.90	Active File	\$ 593.88	1
Debt Resolution Direct	Aug 21, 2020	\$ 505.42	Sep 15, 2020	\$ 27,394.00	40%	CA	36.00	Monthly	\$ 13,185.28	Active File	\$ 505.42	1

Debt Resolution Direct	Aug 21, 2020	\$	933.11	Aug 15, 2020	\$	22,645.03	42%	TX	22.00	Monthly	\$	11,657.38	Active File	\$	582.43	\$
Debt Resolution Direct	Aug 26, 2020	\$	503.12	Aug 23, 2020	\$	37,097.00	42%	TX	20.00	Monthly	\$	18,112.48	Active File	\$	652.12	\$
Debt Resolution Direct	Aug 29, 2020	\$	304.23	Sep 05, 2020	\$	28,542.39	30%	SD	26.00	Monthly	\$	10,982.28	Active File	\$	104.23	\$
Debt Resolution Direct	Aug 29, 2020	\$	738.77	Sep 14, 2020	\$	25,505.03	48%	TX	20.00	Monthly	\$	25,515.20	Active File	\$	298.77	\$
Debt Resolution Direct	Aug 29, 2020	\$	656.45	Sep 15, 2020	\$	17,112.00	40%	IL	12.00	Monthly	\$	10,021.26	Active File	\$	016.45	\$
Debt Resolution Direct	Aug 29, 2020	\$	329.05	Sep 15, 2020	\$	21,447.00	42%	AZ	30.00	Monthly	\$	11,816.48	Active File	\$	589.05	\$
Debt Resolution Direct	Aug 19, 2020	\$	410.34	Sep 05, 2020	\$	25,514.03	42%	CO	35.00	Monthly	\$	15,036.06	Active File	\$	410.34	\$
Debt Resolution Direct	Aug 15, 2020	\$	410.55	Sep 05, 2020	\$	25,533.00	40%	DE	35.00	Monthly	\$	15,103.08	Active File	\$	410.55	\$
Debt Resolution Direct	Aug 15, 2020	\$	535.80	Sep 15, 2020	\$	14,584.00	40%	NY	25.00	Monthly	\$	6,014.12	Active File	\$	535.80	\$
Debt Resolution Direct	Aug 16, 2020	\$	968.75	Sep 05, 2020	\$	29,511.00	40%	IL	35.00	Monthly	\$	34,694.88	Active File	\$	968.75	\$
Debt Resolution Direct	Aug 18, 2020	\$	1,055.71	Sep 05, 2020	\$	88,493.00	42%	TX	28.00	Monthly	\$	39,025.03	Active File	\$	1,055.71	\$
Debt Resolution Direct	Aug 18, 2020	\$	574.03	Sep 15, 2020	\$	37,893.30	40%	FL	30.00	Monthly	\$	10,318.88	Active File	\$	574.03	\$
Debt Resolution Direct	Aug 14, 2020	\$	311.85	Aug 25, 2020	\$	18,228.00	40%	WA	24.00	Monthly	\$	7,484.32	Active File	\$	311.85	\$
Debt Resolution Direct	Aug 17, 2020	\$	416.98	Sep 05, 2020	\$	24,209.00	40%	CA	30.00	Monthly	\$	14,005.88	Active File	\$	416.98	\$
Debt Resolution Direct	Aug 17, 2020	\$	525.85	Sep 05, 2020	\$	45,348.00	42%	IL	35.00	Monthly	\$	17,025.68	Active File	\$	525.85	\$
Debt Resolution Direct	Aug 17, 2020	\$	391.50	Sep 01, 2020	\$	15,547.00	40%	NY	30.00	Monthly	\$	10,585.48	Active File	\$	391.50	\$
Debt Resolution Direct	Aug 17, 2020	\$	353.44	Sep 05, 2020	\$	25,040.00	35%	MI	30.00	Monthly	\$	13,501.60	Active File	\$	353.44	\$
Debt Resolution Direct	Aug 15, 2020	\$	452.57	Sep 01, 2020	\$	35,243.00	40%	IL	30.00	Monthly	\$	17,385.08	Active File	\$	452.57	\$
Debt Resolution Direct	Aug 15, 2020	\$	346.08	Sep 15, 2020	\$	19,433.00	40%	CA	30.00	Monthly	\$	13,530.84	Active File	\$	346.08	\$
Debt Resolution Direct	Aug 14, 2020	\$	649.82	Sep 11, 2020	\$	17,013.00	30%	IL	30.00	Monthly	\$	19,253.98	Active File	\$	649.82	\$
Debt Resolution Direct	Aug 14, 2020	\$	519.53	Sep 09, 2020	\$	45,365.00	35%	ND	30.00	Monthly	\$	20,147.43	Active File	\$	519.53	\$
Debt Resolution Direct	Aug 13, 2020	\$	312.84	Aug 18, 2020	\$	19,906.00	40%	AZ	30.00	Monthly	\$	11,251.28	Active File	\$	312.84	\$
Debt Resolution Direct	Aug 12, 2020	\$	289.48	Aug 28, 2020	\$	34,817.00	40%	WA	30.00	Monthly	\$	25,216.48	Active File	\$	289.48	\$
Debt Resolution Direct	Aug 11, 2020	\$	815.06	Sep 02, 2020	\$	47,409.00	40%	CO	35.00	Monthly	\$	22,259.00	Active File	\$	815.06	\$
Debt Resolution Direct	Aug 11, 2020	\$	520.55	Aug 25, 2020	\$	32,968.00	40%	IL	33.00	Monthly	\$	15,028.00	Active File	\$	520.55	\$
Debt Resolution Direct	Aug 12, 2020	\$	406.10	Sep 10, 2020	\$	28,895.00	40%	CA	35.00	Monthly	\$	14,727.68	Active File	\$	406.10	\$
Debt Resolution Direct	Aug 12, 2020	\$	796.01	Aug 25, 2020	\$	63,987.00	40%	WA	30.00	Monthly	\$	20,794.43	Active File	\$	796.01	\$
Debt Resolution Direct	Aug 12, 2020	\$	717.37	Sep 10, 2020	\$	58,294.00	40%	IL	35.00	Monthly	\$	26,843.20	Active File	\$	717.37	\$
Debt Resolution Direct	Aug 12, 2020	\$	317.10	Sep 11, 2020	\$	39,315.00	40%	IL	30.00	Monthly	\$	19,416.48	Active File	\$	317.10	\$
Debt Resolution Direct	Aug 11, 2020	\$	264.78	Sep 02, 2020	\$	14,529.00	40%	GA	25.00	Monthly	\$	8,033.04	Active File	\$	264.78	\$
Debt Resolution Direct	Aug 11, 2020	\$	625.14	Sep 05, 2020	\$	48,056.00	40%	IL	35.00	Monthly	\$	22,512.08	Active File	\$	625.14	\$

Total Debt \$ 2,974,910.49

## **ADDENDUM C**

Program	Enrollment Date	Monthly Payment	First Payment	Debt Forfeited	Fee	State	Program Length (Months)	Pay First	Total Program Cost	Client Fee	Total Payments Received	# Deaths Closed
Litigation Practice Center	Sep 01, 2020	\$ 289.99	Sep 10, 2020	\$ 3,112.00	40%	GA	3.00	Monthly	\$ 7,051.84	Active File	\$ 136.90	1
Litigation Practice Center	Sep 03, 2020	\$ 286.76	Sep 14, 2020	\$ 3,084.00	35%	TX	18.00	Monthly	\$ 4,732.74	Active File	\$ 255.25	1
Litigation Practice Center	Sep 02, 2020	\$ 289.57	Sep 10, 2020	\$ 3,044.00	30%	TX	18.00	Monthly	\$ 4,832.24	Active File	\$ 219.17	1
Litigation Practice Center	Sep 02, 2020	\$ 287.79	Sep 04, 2020	\$ 3,142.00	30%	IL	24.00	Monthly	\$ 5,540.43	Active File	\$ 267.79	1
Litigation Practice Center	Sep 01, 2020	\$ 302.54	Sep 05, 2020	\$ 3,877.00	40%	PA	15.00	Monthly	\$ 10,890.48	Active File	\$ 302.24	1
Litigation Practice Center	Sep 01, 2020	\$ 282.92	Sep 03, 2020	\$ 3,238.00	25%	UT	35.00	Monthly	\$ 6,852.10	Active File	\$ 252.92	1
Litigation Practice Center	Sep 01, 2020	\$ 485.47	Sep 15, 2020	\$ 43,856.00	25%	IN	36.00	Monthly	\$ 17,837.09	Active File	\$ 385.47	1
Litigation Practice Center	Aug 31, 2020	\$ 273.06	Sep 08, 2020	\$ 10,251.00	30%	ME	36.00	Monthly	\$ 10,613.94	Active File	\$ 273.06	1
Litigation Practice Center	Aug 31, 2020	\$ 277.48	Sep 03, 2020	\$ 9,571.00	35%	TX	18.00	Monthly	\$ 6,994.06	Active File	\$ 277.48	1
Litigation Practice Center	Aug 29, 2020	\$ 435.15	Sep 15, 2020	\$ 42,533.00	35%	GA	36.00	Monthly	\$ 17,475.23	Active File	\$ 435.15	1
Litigation Practice Center	Aug 28, 2020	\$ 295.80	Sep 03, 2020	\$ 7,040.00	28%	NY	12.00	Monthly	\$ 3,987.10	Active File	\$ 295.80	1
Litigation Practice Center	Aug 25, 2020	\$ 475.43	Sep 11, 2020	\$ 39,502.00	35%	IN	36.00	Monthly	\$ 17,115.36	Active File	\$ 475.43	1
Litigation Practice Center	Aug 25, 2020	\$ 283.11	Sep 05, 2020	\$ 10,027.00	35%	FL	12.00	Monthly	\$ 3,791.04	Active File	\$ 283.11	1
Litigation Practice Center	Aug 27, 2020	\$ 272.47	Sep 15, 2020	\$ 13,626.00	35%	NY	36.00	Monthly	\$ 9,836.76	Active File	\$ 272.47	1
Litigation Practice Center	Aug 27, 2020	\$ 511.36	Aug 31, 2020	\$ 38,380.00	40%	GA	25.00	Monthly	\$ 13,516.88	Active File	\$ 511.36	1
Litigation Practice Center	Aug 27, 2020	\$ 250.12	Sep 04, 2020	\$ 13,574.00	35%	IL	36.00	Monthly	\$ 9,902.32	Active File	\$ 250.12	1
Litigation Practice Center	Aug 26, 2020	\$ 320.10	Sep 08, 2020	\$ 21,031.28	30%	AL	36.00	Monthly	\$ 11,524.62	Active File	\$ 320.10	1
Litigation Practice Center	Aug 26, 2020	\$ 271.68	Sep 08, 2020	\$ 18,894.00	35%	NY	36.00	Monthly	\$ 9,898.58	Active File	\$ 271.68	1
Litigation Practice Center	Aug 26, 2020	\$ 307.72	Sep 09, 2020	\$ 22,052.00	35%	PA	36.00	Monthly	\$ 11,071.88	Active File	\$ 307.72	1
Litigation Practice Center	Aug 25, 2020	\$ 250.76	Sep 04, 2020	\$ 22,050.00	25%	NJ	36.00	Monthly	\$ 9,627.15	Active File	\$ 250.76	1
Litigation Practice Center	Aug 24, 2020	\$ 292.76	Sep 04, 2020	\$ 4,248.00	30%	UT	10.00	Monthly	\$ 2,527.40	Active File	\$ 292.76	1
Litigation Practice Center	Aug 22, 2020	\$ 219.54	Sep 15, 2020	\$ 21,493.00	30%	GA	20.00	Monthly	\$ 10,783.46	Active File	\$ 219.54	1
Litigation Practice Center	Aug 21, 2020	\$ 255.94	Sep 04, 2020	\$ 12,897.00	35%	ME	36.00	Monthly	\$ 7,127.95	Active File	\$ 255.94	1
Litigation Practice Center	Aug 21, 2020	\$ 410.43	Aug 31, 2020	\$ 23,434.00	35%	IN	36.00	Monthly	\$ 14,391.98	Active File	\$ 410.43	1
Litigation Practice Center	Aug 20, 2020	\$ 335.30	Sep 10, 2020	\$ 23,521.00	35%	TX	36.00	Monthly	\$ 12,262.02	Active File	\$ 335.30	1
Litigation Practice Center	Aug 20, 2020	\$ 284.24	Sep 06, 2020	\$ 17,277.00	35%	NY	36.00	Monthly	\$ 9,511.63	Active File	\$ 284.24	1
Litigation Practice Center	Aug 20, 2020	\$ 250.64	Sep 04, 2020	\$ 10,321.00	30%	AL	24.00	Monthly	\$ 6,915.47	Active File	\$ 250.64	1
Litigation Practice Center	Aug 19, 2020	\$ 289.68	Sep 14, 2020	\$ 7,574.00	35%	TX	18.00	Monthly	\$ 4,112.99	Active File	\$ 289.68	1
Litigation Practice Center	Aug 18, 2020	\$ 377.82	Sep 05, 2020	\$ 25,789.00	40%	NY	36.00	Monthly	\$ 13,802.28	Active File	\$ 377.82	1
Litigation Practice Center	Aug 18, 2020	\$ 426.32	Aug 26, 2020	\$ 34,451.00	35%	IN	36.00	Monthly	\$ 15,347.33	Active File	\$ 426.32	1
Litigation Practice Center	Aug 17, 2020	\$ 267.82	Aug 21, 2020	\$ 11,425.00	37%	PA	24.00	Monthly	\$ 6,426.39	Active File	\$ 267.82	1
Litigation Practice Center	Aug 17, 2020	\$ 274.46	Aug 30, 2020	\$ 10,851.00	35%	PA	36.00	Monthly	\$ 9,882.53	Active File	\$ 274.46	1
Litigation Practice Center	Aug 16, 2020	\$ 348.21	Aug 28, 2020	\$ 25,157.00	35%	GA	36.00	Monthly	\$ 12,427.13	Active File	\$ 348.21	1
Litigation Practice Center	Aug 14, 2020	\$ 525.30	Sep 03, 2020	\$ 14,570.33	37%	NY	12.00	Monthly	\$ 6,378.66	Active File	\$ 525.30	1
Litigation Practice Center	Aug 14, 2020	\$ 332.74	Sep 28, 2020	\$ 26,445.00	30%	LA	24.00	Monthly	\$ 9,026.67	Active File	\$ 332.74	1
Litigation Practice Center	Aug 13, 2020	\$ 318.28	Aug 27, 2020	\$ 10,365.00	30%	TX	36.00	Monthly	\$ 10,546.14	Active File	\$ 318.28	1
Litigation Practice Center	Aug 13, 2020	\$ 289.76	Aug 25, 2020	\$ 12,112.00	40%	FL	24.00	Monthly	\$ 7,337.32	Active File	\$ 289.76	1
Litigation Practice Center	Aug 13, 2020	\$ 316.35	Aug 25, 2020	\$ 11,575.00	35%	PA	36.00	Monthly	\$ 9,884.34	Active File	\$ 316.35	1
Litigation Practice Center	Aug 12, 2020	\$ 445.40	Sep 11, 2020	\$ 15,258.00	35%	TX	18.00	Monthly	\$ 8,826.14	Active File	\$ 445.40	1
Litigation Practice Center	Aug 11, 2020	\$ 350.86	Aug 17, 2020	\$ 17,780.00	35%	NJ	24.00	Monthly	\$ 8,470.67	Active File	\$ 350.86	1
Litigation Practice Center	Aug 11, 2020	\$ 506.51	Sep 02, 2020	\$ 15,774.00	35%	PA	36.00	Monthly	\$ 20,810.58	Active File	\$ 506.51	1
Litigation Practice Center	Aug 11, 2020	\$ 285.90	Aug 11, 2020	\$ 14,816.00	40%	PA	36.00	Monthly	\$ 9,216.08	Active File	\$ 285.90	1
Litigation Practice Center	Aug 11, 2020	\$ 232.14	Aug 12, 2020	\$ 4,030.00	36%	NY	9.00	Monthly	\$ 2,372.40	Active File	\$ 232.14	1
Litigation Practice Center	Aug 10, 2020	\$ 287.06	Aug 21, 2020	\$ 11,520.00	38%	LA	24.00	Monthly	\$ 6,426.00	Active File	\$ 287.06	1
Litigation Practice Center	Aug 09, 2020	\$ 784.23	Sep 08, 2020	\$ 87,824.00	28%	CA	36.00	Monthly	\$ 27,406.46	Active File	\$ 784.23	1
Litigation Practice Center	Aug 06, 2020	\$ 461.45	Sep 09, 2020	\$ 24,718.00	30%	PA	36.00	Monthly	\$ 10,848.62	Active File	\$ 461.45	1
Litigation Practice Center	Aug 05, 2020	\$ 278.15	Aug 25, 2020	\$ 12,236.00	30%	CO	24.00	Monthly	\$ 6,499.12	Active File	\$ 278.15	1
Litigation Practice Center	Aug 05, 2020	\$ 354.55	Aug 20, 2020	\$ 14,518.00	35%	MA	14.00	Monthly	\$ 7,303.44	Active File	\$ 354.55	1

Year	Sample size	Age	Gender	Education	Occupation	Income	Health	Life satisfaction
2005	1,000	50-59	50%	50%	50%	50%	50%	50%
2006	1,000	50-59	50%	50%	50%	50%	50%	50%
2007	1,000	50-59	50%	50%	50%	50%	50%	50%
2008	1,000	50-59	50%	50%	50%	50%	50%	50%
2009	1,000	50-59	50%	50%	50%	50%	50%	50%
2010	1,000	50-59	50%	50%	50%	50%	50%	50%
2011	1,000	50-59	50%	50%	50%	50%	50%	50%
2012	1,000	50-59	50%	50%	50%	50%	50%	50%
2013	1,000	50-59	50%	50%	50%	50%	50%	50%
2014	1,000	50-59	50%	50%	50%	50%	50%	50%
2015	1,000	50-59	50%	50%	50%	50%	50%	50%
2016	1,000	50-59	50%	50%	50%	50%	50%	50%
2017	1,000	50-59	50%	50%	50%	50%	50%	50%
2018	1,000	50-59	50%	50%	50%	50%	50%	50%
2019	1,000	50-59	50%	50%	50%	50%	50%	50%
2020	1,000	50-59	50%	50%	50%	50%	50%	50%

**Total Debt \$ 1,089,205.99**